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# THE CLIMATE CHANGE ADVANTAGE

BY JOY THOMAS



**The accounting profession** doesn't typically pop up in broader discussions about climate change. But those of us who advise companies or governments know that core accounting skills—identifying risk, standardizing disclosure metrics, information analysis, finding efficiencies—unquestionably help organizations navigate a host of challenges associated with the transition to a low-carbon economy. Increasingly, we are also called upon to identify and evaluate climate change adaptation strategies to support an evidence-based assessment of corporate investments to build resilience to climate change impacts.

In our 2017 CPA Canada study of climate-related disclosure by Canadian public companies, we looked at relevant disclosure in mainstream financial filings. We know that a growing number of companies are providing climate-

related information, and that investors—as well as other stakeholders—are paying close attention to such disclosures.

Yet our study found that while the vast majority of companies do report some form of climate-related information in these documents, the disclosures often lack consistency, provide insufficient context, and frequently fail to acknowledge proactive strategies for mitigating emissions.

Investors, aware of the risks and opportunities associated with the increasing frequency and severity of extreme weather events and the transition to a low-carbon economy, will allocate capital based on these disclosures. Information that is clear, consistent and quantitative enhances the decision-usefulness for investors. Accountants are central to corporate reporting and there is an opportunity for our profession to strongly support this area.

Indeed, when I spoke earlier this year to Bank of England governor Mark Carney, who set up the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD), he pointed out that robust climate change reporting will actively involve accounting professionals. (See [www.cpacanada.ca](http://www.cpacanada.ca) for more.)

Similarly, accountants in business play an important role in identifying and mitigating risk, and increasingly, this includes the sorts of risks associated with climate change. Some of that risk will come in the form of additional regulatory burden. But in other cases, the risk emerges from a company's exposure to the physical impacts of extreme weather. For example, are its operations located in regions that have become much more vulnerable to increased flooding? Is the business model threatened by extreme weather, as is the case with the property insurance sector?

In answering such questions, accountants can add value by performing scenario analysis, and evaluating the costs and benefits of various mitigation and adaptation strategies in response to climate change risks.

CPA Canada has been producing research, thought leadership and case

studies on the role of professional accountants in climate change adaptation for many years. Frontiers North Adventures, a Churchill, Man.-based company that offers polar bear expeditions, has had to rethink its business model due to thinning sea ice and a declining polar bear population on Hudson Bay. The company's finance manager—a CPA—led a risk-evaluation process and scenario-planning exercise that prompted the company to diversify its tour options by expanding into more summer activities, thereby reducing its reliance on polar bear tours as a sole revenue generator.

At TransLink, Greater Vancouver's multi-modal transportation agency, the organization's senior managers moved the sustainability and environmental risk-management units into the finance division, reporting to the CFO. The reason: the organization operates a range of public infrastructure assets, from major roads to bus depots, that are vulnerable to service disruption due to flooding from sea-level rise. That exposure has a direct impact on long-range planning for infrastructure and capital requirements. As a result, TransLink's accounting professionals work closely with the agency's engineers, operations and planners to prioritize capital investment with the goal of limiting financial risk linked to climate change-related service disruption, and building resilience to predicted climate impacts in the region.

These examples clearly illustrate how accounting professionals are well-positioned to add rigour, substance and evidence-based analysis to support informed organizational decision-making in the face of climate change.

CPA Canada is playing an important role by producing research and guidance on enhanced climate-related disclosure and developing climate change training programs for CPAs. By virtue of their roles as business leaders, professional accountants have an opportunity to lead and give their organizations an advantage in becoming more sustainable, resilient and adaptive in the face of a changing climate. ♦

# PIVOT

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**CORRECTION:** A column titled *Me 2.0* in our previous edition stated that nine of out 10 Canadian women have taken steps to prevent being sexually harassed. In fact, that applies to nine out of 10 working women in Canada, according to a study by Angus Reid. We apologize for the error.

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# FIRST IN

## BURNING ISSUE

# THE SWEDE SPOT

How to fight climate change, without destroying the economy **BY JEN GERSON**

**Across the country**, conservative politicians have been coming to power and prominence advocating a key platform message: cut the carbon tax.

Carbon taxes and cap-and-trade programs are nothing more than a tax grab, they say. They won't do much to reduce emissions. Even if they do, Canada's contribution to global climate change is so nominal in comparison to China, the U.S. and India, that this country would be hurting its own economy for practically no gain.

A lot of spent taxpayers seem to find the message appealing.

But if the political antipathy to carbon pricing is genuine, the reasoning is flawed. Several studies are now confirming the standard economist line, albeit with a few caveats. Carbon pricing does work to change behaviour and reduce emissions when that pricing is both sufficiently stringent and part of a well-designed public policy. And given the growing consensus on that fact, companies of all kinds are going to need to consider the impacts of climate change—and of carbon taxes and cap and trade—on their supply chains and bottom lines.

Brendan Frank is a research associate at the Ecofiscal Commission, a Canadian think tank devoted to finding market-based solutions to environmental issues including climate change. "It's early days still for carbon prices," he says. "But in the short term, we are seeing changes in behaviour and changes in investment."

The commission studied the effects of carbon pricing in several jurisdictions and found notable results, particularly in Sweden. The chilly Nordic country has taken an aggressive line on carbon pricing, starting in the early '90s, and has made impressive improvements on its emission trends.

One of the innovative approaches they have adopted is in "district heating." Basically, while places like Canada still heat homes by installing individual furnaces in each building or house, Sweden produces much of its heat in central production facilities and then distributes it through insulated pipes to urban and suburban homes.

A major benefit of this centralized approach is that it can allow the country to capture heat energy that would otherwise be lost through waste—for example, the excess heat that's created through electricity generation, waste incineration or industrial processes. Sweden has also switched to biofuels from fossil fuels for a substantial portion of its heating needs.

The approach has allowed the country to make major reductions in emissions. But there had to be significant economic incentives to make such a program viable. Sweden started with a \$52-per-tonne carbon tax; it's now \$188 per tonne—the highest rate in the world.



District heating facilities, like this one in Copenhagen, mean less waste

And Sweden's case was complicated. The country went full bore on climate change policies that would lead to long-term sustainability, including energy taxes, congestion pricing and mandated efficiency standards. Sweden also invested in public transit, sustainable city planning and renewable energy; it spends a large percentage of its GDP on research and development, particularly in environmental technology.

The Swedish example suggests that countries serious about climate change need to think about their policy prescriptions holistically.

Sweden's overall emissions did in fact increase through the first half of the '90s, despite the carbon tax, but they were down significantly from where they would have been without the tax. The country has since witnessed a steady decline as innovation, incentive and policy combine to shift behaviour.

And despite concerns about how this taxation would affect the economy, Sweden's growth is exceeding European averages, according to the Ecofiscal Commission.

It's true that the country's contribution to global greenhouse gas emissions is only a fraction of Canada's. But citing comparative carbon footprints country by country is not a productive approach, Frank argues. Canada emits only 1.6 per cent of carbon emissions globally, he concedes, but that's not an excuse for inaction: "The 1.6 per cent argument gets trotted out a lot, but Canada is a top 10 emitter. If we don't continue to move on climate change, or if we backslide, we're giving the same argument to every country from 11 on down."

China, the world's biggest emitter, "is working on carbon pricing right now," he points out. "They launched a cap-and-trade program in December of last year. China recognizes the value of moving on this sooner rather than later."

Given all that, it seems unlikely that opponents will be successful in the long run in a fight against carbon taxes. For that matter, four provinces have already brought in their own carbon pricing schemes; Ontario and Quebec subscribe to cap and trade while Alberta and British Columbia have implemented carbon taxes. And Ottawa has threatened to impose carbon taxes or the equivalent on impudent provincial jurisdictions that refuse to do so of their own accord.

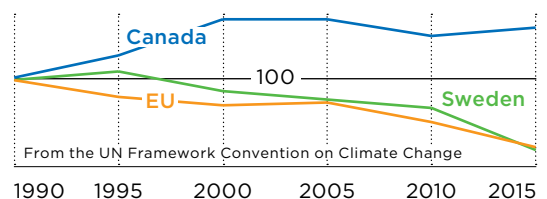
Gordon Beal, CPA, CA and vice-president, research, guidance and support for CPA Canada,

says it's time for companies at home to assess the risks of climate change. Public companies are obliged to disclose material risks, but too few are considering how climate change and carbon pricing may impact their profitability and growth. "To demonstrate a long-term view of value creation, business leaders need to do a thorough analysis that extends from down in their supply chain, throughout their operations, and into their distribution channels," Beal says. "Without this analysis, they could be putting the business, its employees, shareholders and other key stakeholders at risk. Fundamentally, it's good business practice."

And it's becoming a global effort. At the request of the G20, the Financial Stability Board (FSB) created a task force on climate-related disclosure. FSB chair Mark Carney, the governor of the Bank of England, points out that financial institutions that control assets of roughly US\$90 trillion have backed its recommendations.

## GREENHOUSE GAS EMISSIONS

Relative to 1990 levels (1990=100)



"One of the things that disclosure can do for individual companies, but also collectively, is give the picture of what the energy transition is going to look like," Carney told CPA Canada CEO Joy Thomas in a recent interview. "Canada more so than almost any country in the world is going to participate in every element of that energy transition."

The transition will have broad effects. Greenhouse gas emissions had often been thought an external by-product of operations, says Beal, but "a price on those emissions is intended to bring the issue front and centre to the strategic and operational decision-making process."

That likely means some kind of carbon pricing. Fortunately for Canadian companies, they needn't worry so much about the politics. The purpose of a carbon tax, after all, isn't to fill government coffers. It's to motivate everyone to find ways to avoid paying it. ♦

INNOVATOR

# THE GOOD DOCTOR

Danielle Martin is shaping the future of Canadian health care **BY EMILY LANDAU**

**A family doctor** and the VP of medical affairs and health system solutions at Women's College Hospital in Toronto, Danielle Martin is an evangelist for single-payer health care. She writes books about it. She lectures the U.S. Senate about it. And she points out where it falls short. Her ultimate goal? To make our system faster, cheaper and more effective.

**A few years ago, you schooled the U.S. Senate on the benefits of single-payer health care, earning accolades from Bernie Sanders. So what's Bernie like? Do you text?**

Ha, no. We're not BFFs, but I respect him. He and I agree that the core value—one that's shared by all Canadians—is equity, the notion that access to health care should be based on a patient's need and not their ability to pay.

**At Women's College, you're trying to reduce the number of health care services we use. For example, the hospital can perform same-day knee replacements, where the patient is home six hours after surgery. How does that work?**

The procedure itself doesn't change. What changes is pre-surgery education and home monitoring afterwards. It's not super high-tech: we do virtual care using tablet apps, email, even the phone. During the operation, we use innovative anaesthesia techniques where people can be awake but experience no pain. That allows them to get up and start moving the joint right away.

**How do the patients feel about it?**

They love it. One patient who did his same-day knee here is coming back to have the other knee done. It's not going to be for everyone—certainly not for someone who lives alone or in unsafe housing. But if just 20 per cent of joint-replacement patients were appropriate for this kind of intervention, the savings to the health care system would be huge. Our early analyses suggest these operations may cost half as much as those where the patient is admitted. Going forward, we're hoping to do similar same-day



procedures for hip replacements, hysterectomies and some cancer-related surgeries.

**Canada is now known as a hub for artificial intelligence research. How will that change the way we use health care?**

AI is already being applied in radiology—it can read MRIs and CT scans and differentiate normal from abnormal results. Some people believe AI will eliminate the need for radiologists entirely within five years, though I think that's probably an extreme prediction. AI can't provide the same

PHOTOGRAPH BY NATHAN CYPRIYS





comfort as real people. Although, at a nursing home in Tokyo, robots are trying to do that for senior residents, so who knows?

**What other ultra-futuristic technologies are you excited about?**

I just visited a virtual hospital in St. Louis, where there are no beds or patients. It's just doctors using screens to monitor ICU beds, rural hospital wards, patients who require mental health care. Some of it feels quite futuristic: people with complex chronic diseases like diabetes, heart failure and lung disease

are sitting in their homes while their weight, blood pressure and other metrics are beamed back to their health care providers. Sometimes they need a special scale or piece of equipment, but most of this can be done using devices people already own—there are mobile apps that can measure biometrics just as well as hospital monitors.

**And I'm sure virtual care cuts down costs significantly.**

It cuts hospital admissions, readmissions, visits to the ER. We need to help people manage their illnesses

in their homes, communities and natural habitats, instead of dragging them to the hospital every time they need something. We don't have enough beds for them, and they don't want to be in a hospital.

**Does home-based care deliver the same health outcomes as in-hospital care?**

If done properly, the outcomes are better. We just need to be as rigorous about evaluating these new methods as we are when we evaluate new drugs.

**We're in the midst of a start-up boom, and many people are creating health-related apps and wearables that patients can use themselves. How do you feel about these private companies entering the health care sphere?**

Some of them are addressing real gaps in the health care system—virtual mental health care services, for example. But as soon as you make these private, paid things, you introduce barriers for the people who would most benefit.

**How do we solve that problem?**

The public system can either treat them as competition and perform better in these areas, or purchase the technology and make it available to everybody.

**Universal pharmacare will be one of the biggest issues of next year's federal election.**

**I know you're a proponent—you've authored studies on its viability and advocated for it at conferences. What's your elevator pitch?**

Canada is the only developed country in the world that has universal health care that doesn't include prescription drugs. It's absurd that a person can see a physician at no cost, but the minute we try to treat them, they're on their own. One in five Canadian households includes a person who is not taking their medication because of cost. Huge numbers of people who come into the ER for preventable complications could have been treated if they had been able to afford their medicine. If we had a single buyer, we could regulate those costs, buy medications in bulk and bargain with the pharmaceutical industry. In the short term, it could save about \$7.3 billion per year.

**Now, I need to know: what's your healthiest habit?**

I drink at least three litres of water every day.

**And your biggest vice?**

Dark chocolate in unlimited quantities. ♦

## DISCLOSURE

# CALIFORNIA DREAMIN'

An alarming number of Canada's most talented computer engineering grads move to the U.S. **Bilal Akhtar** explains why he won't be one of them.



**When I was nine years old**, my dad, an engineer, gave me a computer programming book. I taught myself how to code and, within a few years, I was learning about web apps, HTML and making patches for Linux, the open-source operating system. I fell in love with programming—it involved logic and puzzle solving, and I felt like I was making a contribution to computing.

My family moved to Canada from Saudi Arabia when I was 14. We decided on Kitchener, Ont., because my older sister wanted to study software engineering at the nearby University of Waterloo, the best engineering school we found in Canada. Three years later, I decided to enrol in the same program.

When I graduate next spring, I want to start my career in Canada. But most of my classmates want to go to the U.S. Some people say the migration out of Canada—the brain drain—is slowing down. From what I see, it's speeding up. A recent Brock University report found that 40 per cent of Waterloo's computer engineering and tech-related grads move to the U.S. They see going to Silicon Valley as a measure of success, and they think you need to be there to be successful. I used to want to move there, too.

Then I interned at WhatsApp. For four months, I worked out of Facebook's headquarters in Menlo Park, Calif. Working there felt powerful. I was working on a product that everyone used, either directly or indirectly, and that had an impact on people's lives. I was there when the Cambridge Analytica scandal broke, and I watched the company respond from the inside. Internally, people asked a lot of the same questions people asked externally. It felt like Facebook knew that people had lost trust in it—and that it had a lot of work to do if it wanted to gain it back.

When I finished my internship, WhatsApp offered me a job: six figures with a signing bonus and stock options. When I told my parents, they said, "No way are you going to turn that down." I did.

I realized after that internship that so much of the idolization of Silicon Valley is based on pure

hype. I learned a lot there, but it felt like I was living in a bubble—and that turned me off. It seemed like everyone was in tech, and there was always pressure to work late. People regularly stayed past 7 p.m., in part because companies provided free dinners.

Beyond the office, there were other issues: the cost of living and housing is high—renting a one-bedroom apartment costs more than \$2,000—and there's a huge economic divide between poor and rich neighbourhoods. I didn't always feel safe: once, I was so close to someone getting mugged on the street that I got caught in the crossfire of their pepper spray. Traffic and public transportation are much worse than they are in Toronto, too, which probably explains why everyone thought Uber Pool or the latest bus start-up would replace the transportation industry.

One of the biggest reasons my friends want to move to the U.S. is the money. The average tech salary in Silicon Valley is \$140,000. In Toronto, it's \$73,000. But if you factor in the cost of living, tech workers in the Bay Area make only about \$20,000 more than those in Toronto, and Canadian salaries are increasing. That Brock report showed that tech salaries in Toronto jumped seven per cent between 2016 and 2017.

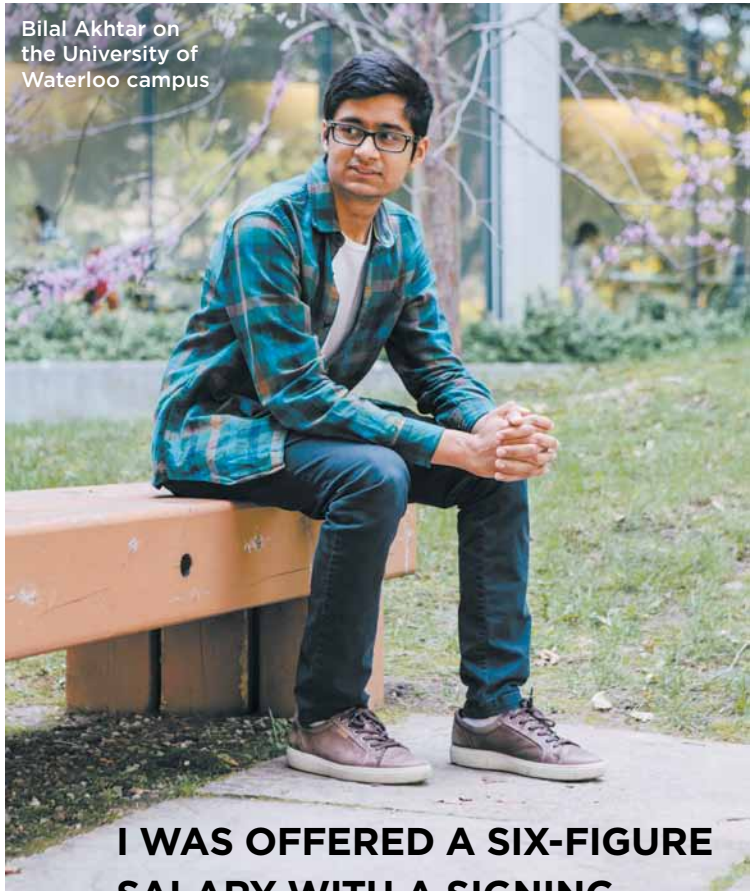
The other reason people move is because of a shortage of high-level job opportunities in Canada, but it's a chicken-and-egg problem. Talented people are going south and, as a result, companies keep their best teams down there, attracting even more people.

It was during my second internship that I realized I could build a tech career in Canada. I was working in the Toronto office of PagerDuty, an IT company based in San Francisco. I enjoyed it, I was surrounded by smart people, and I was close to home. I met colleagues who moved between the company's offices, and they said that Toronto, as a city, had a lot more going on. San Francisco has nature, but there are more festivals, restaurants and things to do in Toronto.

I admit San Francisco and Seattle are the strongest tech hubs in North America. You're surrounded by top-tier tech companies that continue to grow quickly. I know I could miss out by not being there, and that it will be harder to get a great opportunity here. Even though the Canadian tech sector is growing quickly, it's not fast enough to keep up with pace of new tech grads. The brain drain may continue for a while.

But I'm optimistic. Amazing tech companies are coming here: Microsoft and Amazon both recently opened offices in Vancouver, Google is bringing an office to Waterloo, Sidewalk Labs is creating a smart city in Toronto, Facebook has an AI research lab in

Bilal Akhtar on the University of Waterloo campus



## I WAS OFFERED A SIX-FIGURE SALARY WITH A SIGNING BONUS AND STOCK OPTIONS. I TURNED IT DOWN.

Montreal. Homegrown success stories like Shopify are emerging here and touting the Canadian spirit. The start-up scenes in Vancouver, Montreal and the Toronto-Waterloo corridor are booming, and plenty of expats have left high-ranking positions in the Valley to start companies back home. Down the line, Canada will become a strong tech hub. But to get there, we have to be careful and understand our strengths. We're less expensive, we're more diverse, and we want to solve problems for everyone, not just the problems that matter to the Bay Area.

That's why I want to stay here, and why I think eventually others will, too. I've lived and worked in both countries, and I know the pros and cons of each. I've spoken to plenty of people who don't like living in the Valley but enjoy themselves whenever they stay in Canada. I haven't convinced any of them to stay—yet. But I'm already here, and I love it. So why would I leave? ♦

—As told to Bryan Borzykowski

BY THE NUMBERS

# IRON CHEFS

In March, the American fast-food chain CaliBurger brought us a glimpse of grub's future. The restaurant's Pasadena, Calif., location "hired" Flippy, a robot arm that can cook 150 patties an hour. Managers hail automated chefs as cheap, efficient workers that never call in sick, but not every human employee is so enthused. Won't the transition to a robot workforce leave them out of a job? At Tim Hortons, where an app for ordering and paying is currently in the works, it may only be a matter of time before your Timbit comes from a Timbot. —*Steve Brearton*

## WAGE AGAINST THE MACHINE

**\$15**

Hourly cost (CDN\$) to employ a minimum-wage worker in Alberta and Ontario come 2019

**\$2.50**

Average hourly cost (CDN\$) to operate an automated server

**85%**

Canadian restaurant operators who cited labour costs as their number one issue of 2018

## FLIPPING OUT

**50**

CaliBurger locations slated to employ a Flippy by the end of 2018

**2**

Days that the first Flippy was operational before CaliBurger temporarily shut it down—because staff couldn't place and garnish patties fast enough to keep up

**150**

Hamburgers that Flippy can grill in an hour

**\$155.28**  
McDonald's shares hit an all-time high in June 2017, when the company announced it would speed up the installation of automated kiosks at 2,500 restaurants

## GOURMET GADGETS

How much food bots cost



**\$100,000**

Moley, a fully robotic kitchen that can cook thousands of recipes



**\$60,000**

Flippy, the burger-flipping robot



**\$50,000**

McDonald's self-serve kiosk



**\$35,000**

Pizza-making robot at Mountain View delivery service Zume



**\$30,000**

Sally, a salad-making machine available in Silicon Valley



**\$22,000**

DRU, Domino's driverless pizza-delivery bot

PHOTOGRAPH OF FLIPPY BY BRENDAN MEADOWS

## OUT OF ORDER

**“I would never eat a pizza made by a robot. It would not have the taste a real *pizzaiolo*, with his soul, would put in it”**  
Bruno Siciliano, a University of Naples engineer developing a pizza-making robot

**“The food was not tasty at all and the whole restaurant was very smoky because of the poor cooking skills of the robot chefs”**

A patron’s complaint about fully automated restaurants in the Chinese city of Xiamen, which “fired” 10 robot chefs and servers in 2016

**“The soggy and hot—yet somehow not thoroughly cooked—fries were a total waste of money”**

An online review of the vending machine-dispensed food at Japan’s Henn na Hotel, a resort staffed almost entirely by robots



## ROBOT INVASION

**7,500,000**

Upper estimate of Canadian jobs at risk of being affected by automation over the next two decades

**300,000**

Canadian fast-food and restaurant workers whose jobs will be impacted by automation in the next 10-plus years



**54%**

Tasks—including check-in, room service, cleaning and maintenance—performed in North American hotels and restaurants that could be automated using existing technologies

## THE REPLACEMENTS

Risk of automation for select jobs

**96%**

Administrative assistant

**94%**

Financial auditors and accountants

**92%**

Retail salesperson

**91.5%**

Fast-food worker

**0.9%**

Registered nurse

**0.4%**

Elementary and kindergarten teacher

## THE ECONOMY

## A LOST DECADE

The real problem with youth employment is quality, not quantity



FRANCIS FONG

A decade after the financial crisis, the general wisdom seems to be that Canada has fully bounced back. When it comes to young workers, though, it's not that simple.

Youth unemployment was a matter of huge concern both during and after the crisis. Despite representing just 16 per cent of the labour force in 2008, young Canadians aged 15 to 24 accounted for 45 per cent of the jobs lost, driving the unemployment rate for that age cohort up by 5.5 percentage points to 16.4 per cent, nearly double the national average. In the succeeding years, job growth has been almost non-existent. Since employment for the group hit bottom in the summer of 2009, only 47,000 net jobs have been created as of this past May—a pittance compared to the 1.9 million net jobs created in total over that period.

At the time, not everyone agreed this was an issue that Canadians ought to be worried about, mainly because nothing about these statistics was new, *per se*. Many pointed out that the same thing had happened during the recession of the early 1990s, and what was termed its “jobless” recovery. Besides, the youth unemployment rate wasn't any further from its long-term average than the total unemployment rate was from its historical norm. And the evidence shows that labour market outcomes improve significantly beyond the age of 25. Those younger than 25 should be in school or in training in any case, so what's to worry about anyway?

Yet, despite all of this, the issue resonated with Canadians. Even now, nearly a decade later, and with the youth unemployment rate having largely returned to its previous low, it still resonates.

Why is that?

Perhaps it's because the youth unemployment issue was never about the quantity of employment. Perhaps these statistics reflected something people were feeling on the ground that had more to do with the *quality* of employment. Perhaps the real anxiety is that new technology and automation have turned our fundamental notion of jobs and careers into something much less stable, and that young Canadians have been in the vanguard of the

**47,000**  
net jobs have been created for youth since 2009, compared to 1.9 million for everyone else

resulting movement away from full-year, full-time work toward task-oriented, short-term arrangements. This manifests not just in the gig economy that we so often hear about, but also in the growth of part-time and temporary arrangements, such as contract and term employment.

Indeed, the growth in these types of “non-standard” work relationships has mostly been concentrated among Canada's youth. For example, the share of total employment accounted for by part-time jobs has been unchanged at around 19 per cent since the early 1990s. Yet broken down by age cohort, the picture changes dramatically. The proportion of women over the age of 30 working part-time has fallen by roughly three percentage points since 1993. Meanwhile, for women between the ages of 20 and 24, that share has risen by 10 percentage points. For men, the share has risen across all age groups, but mostly for young men between the ages of 20 and 24. Interestingly, among those younger Canadians, the largest increases in part-time work are happening among those with either high school degrees or with post-secondary educations other than a university degree, such as college degrees, CEGEP or apprenticeships.



A similar story plays out for temporary employment. As a whole, temp work has only grown by about 2.5 percentage points as a share of total employment since the late 1990s. Yet, among young men and women, that share has grown by six and eight percentage points, respectively. In other words, the headline statistics belie the fact that a growing number of new graduates find that their first job coming out of school is perhaps far less stable than they would like, or than they were led to believe.

Though not a perfect predictor, non-standard work also tends to lend itself to more precarious working conditions, such as higher levels of income volatility or less job security. The Poverty and Employment Precarity in Southern Ontario (PEPSO) research project has tracked the social and health impacts of those facing these work

outcomes and found that precarious workers tend to report higher levels of anxiety and more difficulty making ends meet.

So there are two ways we can look at the youth unemployment issue. We can ask that young Canadians grit their teeth and bear through it, because the statistics do support that things will get better over time: part-time and temporary work are indeed no more prevalent among older age cohorts now than they've been historically. But, we can also acknowledge that maybe there is something different about what youth face today: a rapidly changing labour market with fewer full-time entry-level jobs and, in turn, a potentially more precarious start to their careers. Let's not even mention the cost of housing.

So yes, they'll probably be fine, and come through it just as previous generations dealt with their economic demons. But when young Canadians talk about their unique challenges, even naively, maybe we could spend a bit of time understanding the uncertainty they live with. And maybe we should cut them a little slack. ♦

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*Francis Fong is chief economist at CPA Canada.*

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## THE WORKPLACE

# SCREEN PROTECTION

In the age of Slack, few of us ever truly leave work at the office. If we can't convince ourselves to log off, the government will make us.



LAUREN  
McKEON

Like many people, I never really get home from work. If a colleague contacts me after hours or on the weekend, I answer. I check my phone at the gym, on public transit and when I'm reading or on a date, undermining my own downtime by compulsively checking for the blue blink that signals a work email or Slack message. Nobody at my office demands that I do this; I do it to myself. But here's the thing: we all do. In most places I've worked, the imperative to always be connected does not come from on high—it comes from a collective buy-in that says we must, at all times, be available to each other.

ILLUSTRATIONS: LAUREN MCKEON BY KAGAN MCLEOD; PHONE BY MATT CHASE

In theory, chat and collaboration tools like Slack and Basecamp were meant to cut down on email and solve our communication overload. Those two apps alone have more than 10 million users, making it clear that many of us want a more organized and efficient way to engage. But in reality, these tools only further blur the line between our jobs and the rest of our lives, enabling workaholics and encouraging “nomophobia,” a term researchers cheekily coined to describe the fear of being without our phones. As American author Adam Alter puts it in his new book, *Irresistible: The Rise of Addictive Technology and the Business of Keeping Us Hooked*, “Life is more convenient than ever, but convenience has also weaponized temptation.”



We just can't help ourselves. Alter cites a study that used an app called Moment, which tracks smartphone use, to discover that the average person spends a quarter of their life on their phone—second only to the amount of time we spend sleeping. How does this super-use translate into work hours? Well, a 2015 American study of more than 1,000 people found that one in five employees spends more than 20 hours of their personal time each week on work-related activities. And a 2018 CPA Canada survey found that roughly 80 per cent of members in senior leadership roles checked their email at least once a day while on vacation, while nearly a quarter of them always or frequently worked seven days a week. Technology is the time-vampire that allows us to do this to ourselves.

We're now so helpless when it comes to regulating our on- and off-hours that the government is

stepping in to save us from our screens. In March, 28-year-old Quebec MNA Gabriel Nadeau-Dubois introduced the Right-to-Disconnect Act, inspired by similar legislation that France adopted last year and that lawmakers in New York are currently considering. If passed, the private member's bill would require companies to impose a disconnection policy—a protocol, created with employee input, that dictates when and how they communicate with colleagues outside of work hours. Some companies aren't bothering to wait: the PR firm Edelman asks its Toronto employees not to send emails before 7 a.m., after 7 p.m. or on the weekend unless absolutely necessary.

Critics say the legislation would slow down communication. Perhaps. But that may not be such a bad thing, if it curbs workaholic tendencies. Too often, we're in a hyper-state of "continuous partial attention," a term coined by former Apple and Microsoft executive Linda Stone in—wait for it—1998. "We pay continuous partial attention in an effort not to miss anything," Stone writes. "It is an always-on, anywhere, anytime, any place behaviour that involves an artificial sense of constant crisis."

In small doses, this way of being can be effective. But we are no longer in small-dose territory. As Stone puts it, "we are so accessible, we're inaccessible." If we constantly divide our concentration into infinitesimal bursts, we're more prone to exhaustion and burnout. Research by Scott Schieman, who chairs the department of sociology at the University of Toronto, shows that our always-on mode can affect the amount of sleep we get, hurt our relationships, increase our stress levels and, subsequently, put us at risk of stress-related health problems like high blood pressure and bad cholesterol.

Stressed, sick and sleep-deprived employees aren't great for business, either. A 2014 paper by John Pencavel of Stanford University found that, once an employee exceeds 50 hours of work in a week, their productivity per hour declines sharply; their output at 70 hours, he found, hardly differed from their output at 55. A 2009 Harvard Business School study found that mandatory time off actually made employees more productive. In other words, we might feel like we're getting ahead answering emails from bed, but we're not actually accomplishing anything meaningful. Worse, we may be so scatterbrained that we miss essential real-life communication—who hasn't zoned out of an important meeting to answer an email?

Right-to-disconnect legislation may seem invasive, but it can help us. It may not stop us from

working long hours, but it will at least prevent us from filling our precious off-hours with non-essential chatter and self-made distractions. It will help us put our full attention into things when we need to—and that sweet spot, research shows, is where our best, most creative work happens. Until we mandate digital time-off policies, I've decided to force myself to disconnect. I keep my phone off my nightstand once I climb into bed, and I recently bought an actual alarm clock—yes, those still exist—so that my missed notifications aren't the first thing I see in the morning. It's a small rewind in time, but it may just be the start of a revolutionary one. ♦

*Lauren McKeon is an award-winning journalist, digital editor at The Walrus and author of F-Bomb: Dispatches from the War on Feminism.*

#### TAX WATCH

## A CRY FOR HELP

Tax reform is long overdue. Ottawa seems stalled. Perhaps a little push is in order.



BRUCE BALL

50

Once an employee exceeds 50 hours of work per week, their productivity plummets

The Canadian government can take a page from the U.K. when it comes to making our tax system more efficient. The British government established the Office of Tax Simplification (OTS) in 2010 to provide non-partisan advice on reducing tax complexity. A year later, the Institute for Fiscal Studies released a sweeping review of the tax system, led by the Nobel Prize-winning economist Sir James Mirrlees.

Mirrlees's analysis included sharp critiques of the property tax system ("a mess"), of the needless complexity in benefits policy and Britain's value-added tax (VAT), and of the lack of integration between national income taxes and insurance. It further highlighted ineffective or inconsistent taxes, and strongly urged the wholesale reform of the taxation of savings. No one could ignore the findings.

Few would dispute that Canada is long overdue for a similar exercise, especially given the Trump administration's tax reforms. Canada's system hasn't been extensively reviewed for decades, and the need for action is evident.

There is a lack of clear direction on emerging issues, such as the taxation of digital services that





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may originate outside Canada but are delivered here. Ideally, we should have an equitable system that promotes prosperity and inclusive growth while recognizing dramatic shifts in the economy. Tax policies, moreover, should be straightforward, and configured to encourage Canadian businesses to grow while attracting foreign investment.

Despite numerous calls for a comprehensive review, including the most recent one from the Senate's national finance committee, the current federal government has been exceedingly hesitant—similar to previous administrations—and that reluctance is unlikely to change in the run-up to next year's election.

The House of Commons Standing Committee on Finance did commit in 2016 to conduct a review, which was encouraging initially, but its launch has been postponed indefinitely.

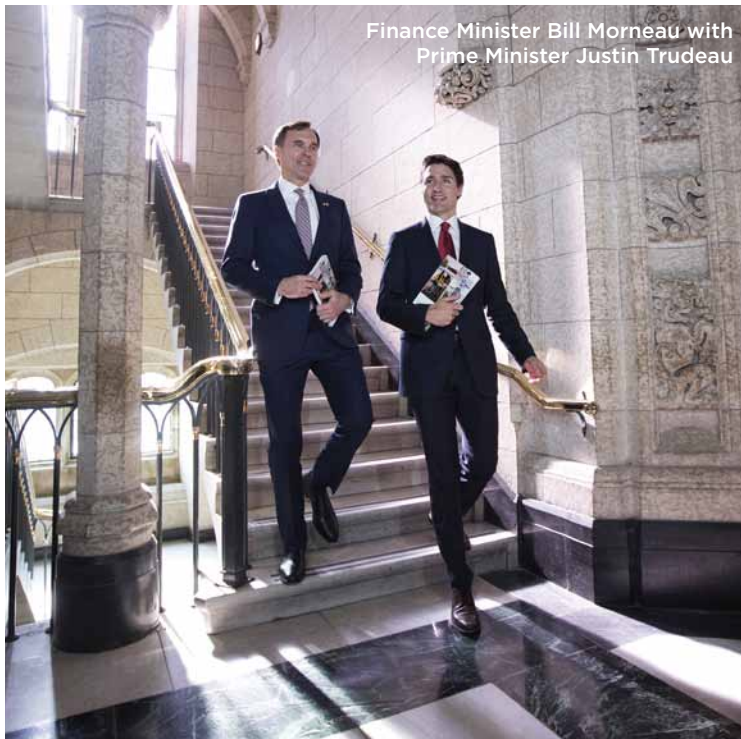
The lesson from the U.K. is that it's critical to engage a panel of independent experts and organizations—like CPA Canada, and others—in not just conducting this kind of review but designing a complex, multi-phase process for it. Anything done at the federal level must take into consideration what is happening at the provincial and territorial levels as well.

Perhaps the most critical step is to lay out a compelling political and economic case for fixing Canada's tax system. The federal government has already received advice from its Advisory Council on Economic Growth that a targeted tax review be launched. That would be a step in the right direction, but the ultimate objective must remain a comprehensive assessment.

A focus on practical fixes and competitiveness seems like the best way to proceed. Many of Canada's professional accountants, for example, can easily identify problematic rules that serve no higher purpose, such as the antiquated regulations governing the taxation of cross-border services. They can point to obvious needs, like amending the Income Tax Act so there's a clearer demarcation between the large numbers of private corporations and the relatively small set of publicly traded companies.

Furthermore, the process should look at finding ways to streamline the administration of the tax system, especially with an eye to making it easier for businesses to deal with the Canadian Revenue Agency by, for example, moving to automated returns and other digitization improvements. Efforts to improve efficiency would definitely be welcomed by taxpayers.

CPA Canada has long been calling for a comprehensive review, and the number of voices echoing



Finance Minister Bill Morneau with Prime Minister Justin Trudeau

**THE FEDERAL GOVERNMENT, LIKE PREVIOUS ADMINISTRATIONS, IS EXCEEDINGLY HESITANT TO UPDATE THE TAX CODE—AND THAT'S UNLIKELY TO CHANGE IN THE RUN-UP TO NEXT YEAR'S ELECTION**

that same sentiment has grown significantly. Today, there are many national organizations, leading think tanks, academics, economists and a host of informed others who are willing to roll up their sleeves and lend their expertise to the process. Examples such as the U.K.'s Mirrlees review show that governments are well advised to seriously engage experts who can plot out the road map and itemize a menu of potential fixes.

In an increasingly uncertain economic climate, jobs, future prosperity and international trading relationships are on the minds of many Canadians who are looking for practical change to help spark sustained growth. Politicians, no matter the political stripe, would be wise to take notice. ♦

*Bruce Ball, FCPA, FCA, is the vice-president of taxation at CPA Canada.*

PHOTOGRAPH BY GETTY IMAGES

# HOW AI CAN PREDICT TAX OUTCOMES

*A new software can scour decades of case law on tax matters, and determine how the authorities might rule on a complex issue*

**There may be nothing more** complicated for a business than international tax. That's especially true for U.S. companies that want to operate in Canada, and if they don't follow the rules, says Fabio Bonanno, they could end up with a hefty tax bill.

Bonanno is the senior manager of corporate tax at Trowbridge Professional Corporation, a Toronto accounting firm. It's his job to help companies navigate Canadian tax law, and for international operators there's one central question that creates a lot of uncertainty. "Tax rules apply to companies that are 'carrying on business in Canada,'" he says. "Unfortunately, that's not defined anywhere in the tax legislation. It's very vague." It can depend on any number of facts and circumstances, from whether Canadian employees will be hired to where contracts are finalized.

Since January, though, Bonanno has been using Tax Foresight, an artificial intelligence (AI)-enabled tool, available from Thomson Reuters, that scours decades of case law to determine how courts and tax authorities might view a particular issue.

## **Saving time with AI**

Until he started using the software, Bonanno could spend up to a week reading case law and then determining for himself if his client must pay tax or not. With Tax Foresight, accountants input their client's problem into the program, which then reads previous cases and determines whether the CRA would decide if, in this case, a company's activities count as carrying on business in Canada.

With Tax Foresight, Bonanno can take those findings and figure out if he agrees or disagrees with them. But all the heavy lifting has been done for him. "It reduces the time it takes me to do this by at least half," he says. "I'm not wasting time

filtering through unnecessary cases, so I can spend more of my time advising."

## **Reducing research time**

The program was created by Blue J Legal, a Toronto-based start-up co-founded by Benjamin Alarie, who is also a tax professor at the University of Toronto. Alarie, along with Albert Yoon, Anthony Niblett and Brett Janssen, started the company after he saw that his students learned tax-related case law for his exam, only to promptly forget it afterwards. "There's no way they can really memorize all that and they can't go through 10,000 tax court cases anyway," he says.

So Alarie, his colleagues, and a group of U of T computer scientists went to work developing an AI-enabled program that

## **EXPERTS CAN STILL INTERPRET THE FINDINGS, BUT THE PROGRAM DOES THE HEAVY LIFTING. "IT REDUCES THE TIME IT TAKES ME BY AT LEAST HALF."**

could not only read copious amounts of case law, but also determine with 90 per cent accuracy how a court would view different situations. It also learns more as new cases are added to the system.

While this is ideal for accountants who need to provide advice to clients, it's also helpful for government auditors, lawyers and judges who deal with tax-related cases.

## **Always learning**

The software isn't guaranteeing what a court would say, says Alarie—and it's still important to get legal advice—but it can give people insights into a variety of possible outcomes. For instance, after Bonanno enters his client's information and gets a conclusion from the software, he'll change

the parameters he had previously input to see what that client might need to do to get a more positive outcome. "We might change the fact pattern to see what kind of impact that might have," he says.

Currently, Tax Foresight, which officially launched in 2017, can provide feedback on 25 issues, and more are coming. That's the promise of AI—it can learn new rules as case law is added to the software, it can adapt based on how its users interpret its data and it can work far faster than any human. "It's not science fiction," says Alarie. "This is happening in real time and it's only getting better as we address more cases and adopt the newest algorithms. It's becoming better at predicting more of the issues tax folks confront every day."

While the program has several useful features, Bonanno is a fan of its Navigators and Case Finder functions. The former has helped him determine capital cost allowance classes, which "can become convoluted," he says. The latter has helped him reduce research time significantly, he

says. All he has to do is input the facts of the case he's dealing with, and the program then provides him with all the relevant court cases. "It will provide a list of cases with this same fact pattern," he says.

This program, and the AI tools of the future, will create more engaging work, says Bonanno. He's already pleased at how the program operates and how it's given him more time to focus on important client work. "It's making us better professionals," he says about AI. "It makes things more efficient and we can spend more time talking to clients as opposed to doing administration."



**YOUNG**

**Generation Z**

**is bright,**

**ambitious**

**and ready**

**BLOOD**  
**to join the**  
**workforce.**

**Is your**

**company**

**ready for**

**them?**

**Like many little boys**, Sam Thorpe grew up dreaming of becoming a firefighter. “For my entire life, I’ve been into superheroes,” he says. “As far as I’m concerned, firefighting is as close as I can get.” Now 16, he’s well on his way. Last May, he graduated from the Vancouver Fire and Rescue Services Youth Academy, and he still volunteers with the group at parades and other events. He plays soccer to keep fit, plans to build muscle mass at the gym and intends to become a firefighter sooner than most; the average starting age is around 28, thanks to a lengthy list of qualifications, including prior work experience.

Firefighting pays—\$72,000 to start, with the possibility to break six figures—and it’s a stable career (unfortunately, things will always catch fire). Thorpe knows it’s exactly the kind of decent, dependable paycheque he will need if he wants to continue living in Vancouver’s East Village, his rapidly gentrifying neighbourhood. Though he is still a long way from leaving home, he socks away about 20 per cent of everything he earns in a savings account, and affordability regularly comes up in conversations with friends. An average Vancouver home goes for more than \$1 million. It’s an expensive city, he says. “Jobs that would cut it in other places don’t really cut it here.”

Focused and confident beyond his years, Thorpe is a quintessential member of Generation Z. Born in 1995 and beyond, they’re youthful idealists who hope to improve the world while building their own secure financial futures. They don’t remember 9/11, but the 2008 financial crisis—and the havoc it wreaked on their parents—is still stuck in their memories. They’re the first generation to grow up with the Internet, and their comfort with technology is so innate that they’ve been dubbed the iGen.

And they’re coming to an office near you. The oldest members of Generation Z are now in their early 20s, fresh out of college and university, and itching to join the workforce. Whereas millennials were derided for being lazy, entitled and dismissive of their elders, this generation is ambitious, industrious and loyal. “Make Way for Gen Z,” a landmark global survey forthcoming from the International Federation of Accountants, shows they want career stability more than anything else. That may sound like music to the ears of baby-boomer bosses, but it’s not that simple. Gen Z employees are eager to work, save and settle down in a world that’s not necessarily designed to deliver secure employment or steady pay. They’re trapped in the modern gig economy—where, for many, work means jumping from firm to firm, contract to contract—when what they want is to be company men and women, taking advantage of their benefits and sticking around to earn 10-year anniversary pins.

Employers will need to understand what interests, motivates and repels Generation Z. They may find pleasing Z means

crossing X and Y, not to mention boomers who have yet to retire. But if they don’t adjust the way they recruit, train and retain employees, companies stand to lose out on everything these youngsters offer: hard work, commitment and, most importantly, an inborn grasp of the technologies, like artificial intelligence and blockchain, that their businesses will need to prosper. Because if they can’t get what they want from big companies, they’ll happily start their own.

**A quarter of Canadians** belong to Generation Z—there are about 8.4 million of them in the country. While 1995 is commonly accepted as the boundary between Gen Z and millennials, there’s no consensus on when Gen Z cuts off on the opposite end. Australian futurist and demographer Mark McCrindle is leading the charge to sort anyone born after 2010 into Generation Alpha.

Particulars aside, Generation Z is Canada’s most culturally diverse cohort. In the 2016 census, 27.5 per cent of them identified as a visible minority, compared to 21 per cent of those born before them. And Hubert Denis, a researcher with Statistics Canada’s demography division, says that proportion will rise in coming years as immigration continues.

Regardless of ethnicity, Gen Z’s first language is technology. “They have always had cellphones and are more connected than any previous generation,” says sociologist Michael Haan, Canada Research Chair in Migration and Ethnic Relations at Western University. They’re online nearly every waking minute, he says. Instagram, Snapchat and YouTube are their daily tools.

Gen Z’s preoccupation with tech should be obvious to anyone who’s spent any time with a teenager. But what else is this generation about? Richard Worzel, a Toronto-based futurist, cautions against erroneous stereotypes like “all millennials are lazy.” But he does believe generations develop unique cultures, often in opposition to their parents’. “It’s uncool to be like mom and dad,” he says. If the millennials were “Everybody gets an award for participating,” Gen Z is more “I want to achieve.”

“The State of Gen Z 2017,” a study by the Center for Generational Kinetics in Austin, Tex., quantified this go-getter streak. They interviewed roughly 1,000 members of Gen Z and 1,000 millennials, and found the younger group was just as likely to be employed as those 10 years older than them. Seventy-seven per cent of Gen Z (ages 14 to 21, in this case) made money through part-time work, freelance jobs or earned allowance. More surprisingly, 12 per cent were already saving for retirement. “This bodes well for Gen Z’s future self-reliance and long-term contribution to the economy,” the report concludes.

They’re willing to put in the hours because they believe they need to. According to a report by HR consulting firm

## Twelve per cent of Generation Z is already saving for retirement

Robert Half, 77 per cent of Gen Z think they will have to work harder than previous generations to have satisfying careers. They may be right. Following the 2008 crisis, the world presents more challenges for Gen Z than it did their predecessors. “Their parents are not baby boomers, and they’re not going to be transferring as much wealth,” Haan says.

Low earnings and the ever-increasing cost of housing hurts all young people, not just Gen Z, says Paul Kershaw, a University of British Columbia professor who founded Generation Squeeze, a non-profit that advocates on behalf of young people. It takes longer to save for a home and even longer to pay off a mortgage. Many 20- and 30-somethings pay so much rent that they have trouble accruing any equity, Kershaw says. “Compared to when today’s aging population started out as young adults, hard work doesn’t pay off like it used to.”

Accordingly, Generation Z seems to be interested in jobs that promise a healthy salary. Research by the recruitment firm Randstad found that 45 per cent of Gen Z and millennials (who were surveyed together) were, unsurprisingly, interested in working in technology. Careers in education, law, government and health care placed next in this and similar studies. Meanwhile, in an RBC report, the six industries expected to grow most by 2024 are predominantly technical and scientific professions, with “computer system design services” leading the pack.

Generation Z may want to be teachers, lawyers, doctors and start-up billionaires, but the most recent census shows a shift away from full-time jobs. In 2015, 56 per cent of men and 44 per cent of women aged 25 to 54 worked full-time all year, down from 63 per cent of men and 46 per cent of women a decade earlier. Those are the lowest proportions of full-time workers since Statistics Canada started collecting such data in 1980. There are several reasons why, including the financial crisis, increased automation and the dawn of flexible work—for example, WeWork, the global behemoth that rents office space to freelancers, has more than 350 locations and was valued at US\$20 billion last year. Traditional jobs that offer benefits and pensions are eroding, and the mere desires of the workforce won’t bring them back, says Worzel, the futurist. “The gig economy is going to do just fine, thank you very much.”

It’s not that Generation Z is opposed to flexibility. When “The State of Gen Z 2017” report asked them what they want most in a job, they said a fun work environment and a flexible work schedule were their top two priorities. But when

“Make Way for Gen Z,” which surveyed nearly 3,400 young people across the G20 countries, asked a similar question, “a stable career path” topped the list, viewed as important or very important by 89 per cent of respondents and 93 per cent of Canadians. That was followed by salary and benefits, important to 87 per cent of G20 respondents and 92 per cent of Canadians. (About nine in 10 respondents said a career in accounting would satisfy these priorities.) The opportunity to work abroad was the lower priority, important to only 63 per cent of global participants and 50 per cent of Canadians.

Those in Generation Z believe they can have it all: good pay, stable employment, meaningful work and the freedom to hunker down with a laptop at a local café when they get bored of the office. After all, they are an optimistic—perhaps even quixotic—group. The reality is that such perfect jobs rarely come along, especially so early in a career. Just ask any lawyer: no one makes partner without first putting in painful all-nighters as an articling student trying to pay rent.



Top: Sam Thorpe, 16, trained at Vancouver’s youth firefighting academy.  
Bottom: Hannah Alper, 15, has her sights set on a career at CNN.

**Hannah Alper wants her work** to provide more than just a paycheck. At 15, the Toronto native has already found a way to mesh her budding career with her activism: she has spoken at We Day dozens of times, and her first book, *Momentum: Small Acts, Big Change*, a compilation of interviews with her inspirational heroes, hit Indigo shelves last year.

Technology is baked into Alper’s life. She can barely remember learning to shoot video, but knows it must have been before she turned nine, when she started a blog dedicated to environmental protection and animal rights. Naturally, she spread the word through social media. “I got Instagram and Twitter when I was 13,” she says. “My generation has grown up in an online world. I was born into it.”

Yet in true Gen Z fashion, even a superstar like Alper dreams of a career with a legacy media company. She has her

sights set on a job at CNN. Despite her early success, she’s realistic about the challenges of earning a living as her own boss. “While I would love to do that, I think it would be difficult,” she says. “And I admire CNN. Why build something from the ground up when there’s already a corporation that’s so successful doing something I love?”

Like Alper, roughly four in five members of Gen Z aspire to work for a large corporation or mid-sized company, according to the Robert Half report. Last year, one such business, a large IT services firm, hired Amalia Jimenez, a Toronto-based organizational development advisor, to increase its professional

effectiveness, which included determining how to get—and keep—Gen Z in their office. She found that young employees were happiest if companies offered them stimulating career experiences and opportunities to move around within the organization. They strive to advance and expect plenty of positive reinforcement for their successes, she says. Jimenez points to a 2016 Deloitte report, which recommends providing younger employees chances to contribute, like hack-a-thons and collaborative development programs. It suggests promoting young professionals early in their careers so they see a path to leadership roles, and providing coaches and mentors, rather than managers, to help them grow. “The traditional model of identifying leaders through a nine-box grid and then waiting until they are ‘ready to lead’ is simply too slow,” the report states. That certainly fits with Alper’s view. “A lot of people say my generation are the leaders of tomorrow.” But look at Parkland, where Florida students mobilized for gun control, she says. “I think we’re the leaders of today.”

Smaller start-ups, with their millennial founders and young staff, are typically most effective at courting Generation Z. But even mammoth institutions like KPMG Canada are catching on. They recognize such employees will be crucial to navigating the business environment of tomorrow—Dell estimates that 85 per cent of the world’s jobs in 2030 don’t exist yet. “We need to understand what’s happening and move quickly,” says Soula Courlas, KPMG Canada’s national leader of people and change advisory services. That ethos comes right from the top, she says. In 2017, CEO Elio Luongo sent a firm-wide email inviting staff to apply, via video or essay, to join his Leaders of Tomorrow Circle. He invited 31 employees with the best submissions to join the circle, and he meets with the group quarterly to gain insights that help shape business strategies.

Generation Z will also expect a more thorough onboarding process, Jimenez says. “You won’t just give somebody a list of critical phone numbers, a fake buddy who’s supposed to help them figure out the organization, and say, ‘Good luck!’” She says successful companies do a lot of hand-holding from the second young employees walk through the door—or even earlier. The Mississauga, Ont., branch of Axis Communications, a Swedish security systems supplier, sends new recruits backpacks of company swag before their first day. When they do arrive, they’re greeted with a team breakfast and one-on-one meetings with each department. Within their first year, Axis staff also attend orientations in Boston

and Sweden that further welcome them into the company.

Once they’re settled, Gen Z employees prefer constant feedback to annual performance reviews. They want to know their work is valued and learn how they can improve. Isaac Operations, a manufacturing-optimization business in Toronto, embraces this state of perpetual evaluation; they perform mini-reviews every two weeks.

Another Toronto company, Eighty-Eight, is tuned into Generation Z’s hunger for flexibility. The communications agency, made up of mostly millennials and Gen Z, allows employees to work from home and offers a work-from-the-cottage week every summer. The firm also tailors its benefits to its young workforce, offering a \$500 annual education budget and a vacation fund that matches employee contributions with company money.

Employers are increasingly recognizing young workers’ desires to make a difference. Salesforce, for example, offers staff seven paid days a year to volunteer with a cause of their choice. Erin Bury, the 33-year-old managing director of Eighty-Eight, also encourages her employees to pursue their passions outside of the office, in stark contrast to strict policies against moonlighting at some large firms. “Most of our staff have side hustles, whether it’s freelance design work, photography or a Shopify store,” she says. “And we’re supportive.”

Generation Z’s ideal workplace is also filled with technology. They expect not only cliché gadgets—an Amazon Echo here, a VR headset there—but a totally digital workplace. Planning projects, dealing with clients, claiming benefits—if there’s an app for it, Gen Z will want it and won’t have much patience for the email threads and paperwork of eras past. “They’ll demand that of the workplaces they work in,” says Bury. “And they’ll be easily frustrated by workplaces that can’t keep up.”

**As it stands**, few workplaces are keeping up. According to a survey of 1,000 workplace managers by the New York-based

app-development company APPrise Mobile, only one in five employers is altering their workplace to cater to Gen Z. In fact, the survey revealed elder generations’ apprehension for the newcomers: 36 per cent of them said it would be more difficult to manage Generation Z than previous cohorts, and roughly a quarter thought it would be harder to train and communicate with them.

It’s easy to imagine why. In the minds of boomers and Generation X, Gen Z may seem like smartphone-obsessed zombies with miniscule attention spans. When they were in

## Employers have four generations under the same roof. How do they cater to one without alienating another?



diapers, these older generations were rising through the ranks of their companies, doing their jobs for decades without the help of trendy apps and digital assistants. They may well wonder, “Why do we need this now?” Technologies that are intended to make workplaces more efficient may have the opposite effect on old-fashioned staff, who’ll lose more time learning new platforms than they’ll gain using them.

In the foreseeable future, digital natives will comprise the entire workforce. But for the time being, employers face a generational dilemma. They have four different groups of workers under the same roof, each with their own attitudes and technical abilities. How do they cater to one of them without alienating another? If they adopt new technologies and transform their workplaces, they risk ostracizing senior staff. If they don’t, Generation Z won’t bother applying.

Instead, they’ll start their own businesses. In the Randstad study, 37 per cent of Generation Z said they intend to one day lead a company they created. Bury says this generation is even better positioned than millennials to do so. They certainly have the tech know-how and the drive, and they can take advantage of e-commerce platforms like Shopify, which lower the barriers of entry for business owners. Plus, Generation Z grew up idolizing Silicon Valley superstars. Entrepreneurship wasn’t considered cool when millennials were in high school, says Bury. “We didn’t have Mark Zuckerberg,” she says. “We didn’t have Twitter and Snapchat, which everyone heralded as the cool companies of our age.”

Thorpe, the Vancouver teenager, has no plans to start his own business, though. In his final year of high school, he plans to volunteer with student council and the yearbook, and he’ll continue to dabble in the gig economy—he takes odd jobs setting up for shows at arenas and playing piano at a local restaurant. But what he really wants is a long-term, full-time career in fire-fighting. He considers it a calling, not a job. “I’d almost do it for free,” he says. Would he, really? “I’m joking, obviously,” he adds with a laugh. “We all need money.” ♦

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# THESE MAGIC MOMENTS

**How a band of Montreal ravers is taking its immersive, you-have-to-be-there entertainment spectacles to the world**

**BY MARTIN PATRIQUIN**



Island Lumina, Japan

Université du Québec à Montréal’s President Kennedy Pavilion is a brown-clad banality located in the city’s downtown core. Though it stretches an entire city block, it was seemingly built to be ignored—an unremarkable counterpoint to the neo-Gothic charms of the Anglican church directly to its east.

Yet during the fall of 2013, it became difficult to tear one’s eyes away from the pavilion’s façade. Once darkness fell, a dizzying display of words lit up the building’s nine storeys in moving strips of white, red and black. “SANG [blood] DEMOCRACY PUNK SHAKESPEARE VIETNAM,” read one chunk.

Those seemingly random words were actually the product of Moment Factory, a Montreal-based new media company. They were curated from the voices of random strangers who happened upon a microphone across the street. Their words were funnelled through voice recognition software, then projected roughly 20 seconds later onto the nine-storey canvas of the pavilion. For two months, crowds gathered every night to watch the installation, called *Megaphone*. Drunk college kids took turns. Rappers, poets and stand-up comedians tried out new material. At one point, an anti-police brutality advocate read off a list of men killed by police since 1987.

It was the kind of visual drama that Moment Factory specializes in, and that’s made it a global innovator whose work has been sought after by the likes of Madonna, Arcade Fire, the Super Bowl, the U Arena in Paris, and the cities of Hangzhou, China and Los Angeles, amongst scores of others. The company excels in making intrinsically interesting spectacles—say, a Red Hot Chili Peppers show—all the more so by way of light design, special effects and interactivity. It now employs more than 350 people and has branched into New York, Los Angeles, London, Paris and most recently Tokyo, its first foray into the Asian market. Today, more than 90 per cent of the company’s productions are international.

It’s a leader in the world of experiential entertainment, where consumers don’t just watch the action, they’re part of it. Moment Factory’s immersive creations can only be experienced live, inspiring breathless you-had-to-be-there reviews. Its particular genius, and where a big part of its future may lie, is in entertaining people not only where they expect it (concerts and festivals), but where they don’t. The company transforms even seemingly mundane occurrences—walking through a darkened forest, queuing in an airport terminal—into captivating experiences.

It’s no coincidence that their industry is taking off just as millennials come of age. According to the market research firm Harris, 78 per cent of that generation, who are now entering their prime earning years, would rather spend their money on experiences than on goods—say, a ticket to a music festival instead of the headliner’s tour T-shirt. Marketing agencies are paying attention. A 2017 report by the multinational marketing firm Freeman showed that one in three chief marketing officers surveyed planned to spend between 21 and 50 per cent of their budgets on experiential marketing in the next three to

five years. The bet is that, when tied to brands, experiences like those created by Moment Factory will stick with potential customers—and help sell a product—more than any billboard ever could.

**Moment Factory has a global footprint**, but its DNA (and its head office) remains in Montreal for one simple reason: it owes both its existence and continued success to the shambolic, often maddening city that birthed it.

The seeds of the company's aesthetic lie in the rave scene of late 1990s-era Montreal. Though the city bore the worst of Quebec's post-referendum economic hangover, the climate nonetheless afforded artists cheap rent and a nothing-to-lose attitude that at least made things interesting.

Two raver friends—Dominic Audet and Sakchin Besette—had the idea of enhancing the already intense experience of a Montreal rave with visuals projected from slide projectors. They called it “music for the eyes,” and Moment Factory was born. Its first collaborations were with Cirque du Soleil, an early fellow traveller in Montreal's broke-but-fabulous artistic scene.

The company's first big break came when it collaborated with Nine Inch Nails for the industrial rock band's 2008 *Lights in the Sky* tour. While a typical rock show will feature canned graphics and choreographed special effects, nearly half of the show's visuals were generated by Moment Factory's custom-built “brain.” It tracked the position and movements of band members and projected this data onto invisible LED screens. One effect had band leader Trent Reznor appear to burst through a wall of static and into view of the audience.

The company went on to gussy up the live performances of other massive acts. A Moment Factory co-production saw illuminated beach balls rain down on the crowd during Arcade Fire's Coachella 2011 performance, and 32 HD projectors set the stage for Madonna during her 2012 Super Bowl halftime show.

The company has redesigned Los Angeles' International Airport and Singapore's Changi Airport, incorporating interactive light displays and *trompe l'oeil* storefronts rendered in LED.

One of the company's more surprising successes, though, lies in forests. In 2014, one of Moment Factory's creative directors, Gabriel Pontbriand, launched a project to illuminate a tiny fraction of Quebec's 761,000 square kilometres of forest with lights, sound and special effects. The ensuing production, *Foresta Lumina*, brings a host of creatures to life as visitors stroll a path through Quebec's Coaticook Gorge. It is truly interactive: hologram wolves dart through the sky, trees seem to grow out of rock and forest floors light up as you walk through them.

There are now six Lumina forest walks—the most recent in Nagasaki, which opened weeks after the company's night walk experience won a top prize in the Japan Media Arts Festival this year. Moment Factory's Tokyo office, which opened in 2017, will be the company's base of operations for its increasing number of projects in Asia. “We chose Japan for our first office in Asia to connect with pioneers



Behind the scenes at the Montreal studio



**THE SEEDS OF  
THE COMPANY AESTHETIC  
LIE IN THE MONTREAL  
RAVE SCENE, AND IN THE  
CITY'S FREETHINKING ETHOS**

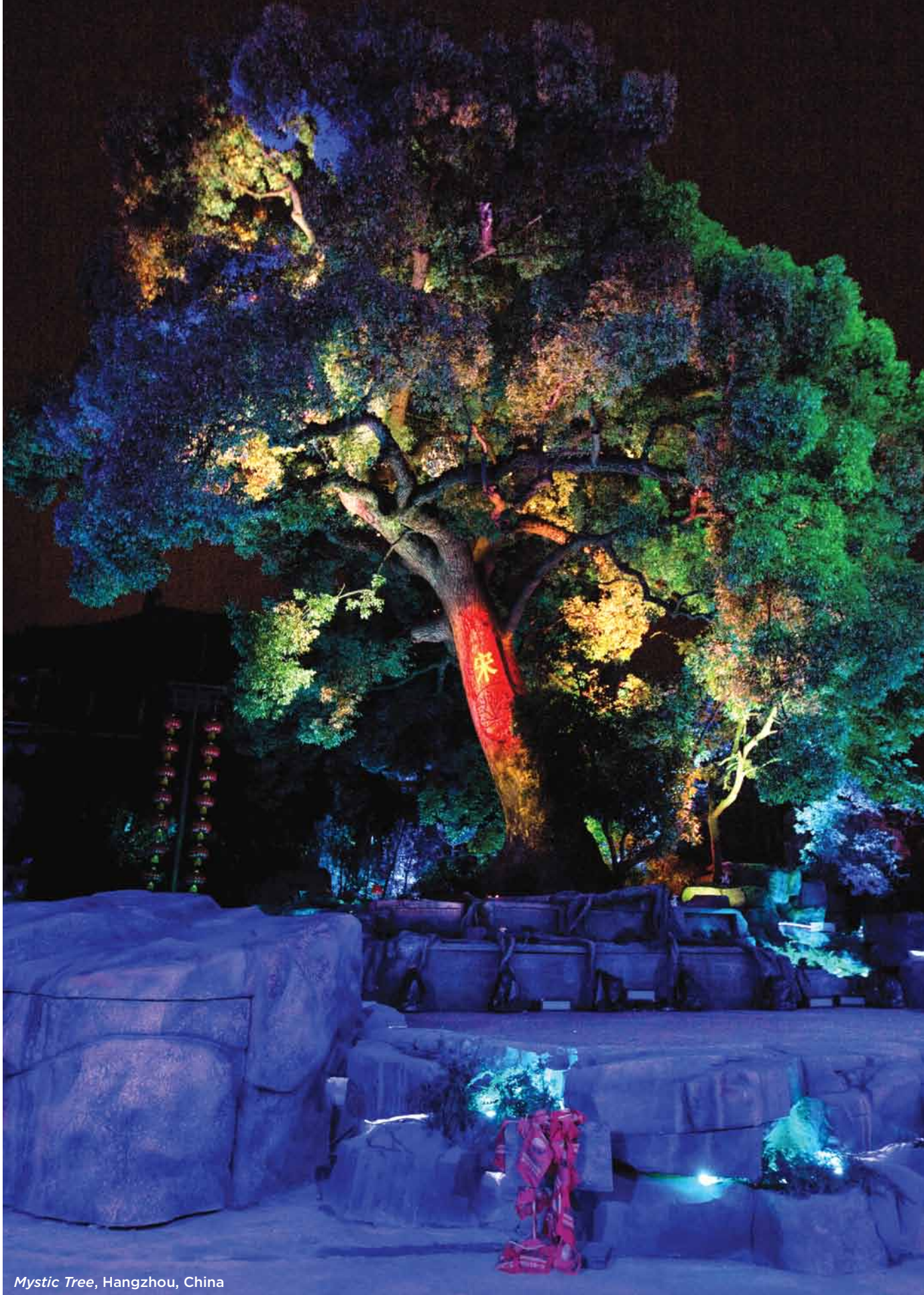


Shinsegae department store, Daegu, South Korea



**“OUR MISSION IS TO  
GATHER PEOPLE TOGETHER  
TO LIVE IN A COMMUNAL  
MOMENT. IF WE CAN  
SPREAD THE MAGIC, ALL  
THE BETTER.”**

*Ode à la vie, Sagrada  
Família, Barcelona*



*Mystic Tree, Hangzhou, China*



of digital art, who are at the forefront of technological innovation and creativity,” says Pontbriand. “By putting down roots in Japan, we are forging partnerships that will keep us on the cutting edge of what we do.”

In China, Moment Factory literally planted a forest around a 1,000-year-old tree for its *Mystic Tree* installation in Hangzhou. These trees have become the canvas for a light-and-sound retelling of the Song dynasty.

The company reimaged a casino in the Netherlands and made a nightly multimedia spectacle out of the Sagrada Família church in Barcelona. It designed a permanent installation in Microsoft’s flagship store in New York City and the cabaret show shown regularly on one of the largest cruise ships on earth. Like Cirque du Soleil, Moment Factory has captured the freethinking ethos of its hometown—yet because the company works in a visual medium, it is unconstrained by language and translates globally as a result. “Our mission is to gather people together to live a communal moment,” Pontbriand says. “If we can spread the magic elsewhere, then all the better.”

Others are spreading the magic, too. This past spring, the Art Gallery of Ontario hosted a popular piece of experiential entertainment: Yayoi Kusama’s *Infinity Mirrors*, dazzling reflective rooms that not even a million selfies could do justice to. Nearby, at Toronto’s historic Fort York, visitors can don headsets and see virtual British troops fighting American forces during the War of 1812, thanks to the work of augmented-reality firm Awe Co.

Last summer in Vancouver, thousands flocked to the shores of False Creek, where director Nettie Wild projected *Uninterrupted*, a stunning AV recreation of the Pacific salmon run, onto the underside of the Cambie Street Bridge. Coincidentally, another inventive piece of public art was on display just a short walk away: *OH!*, which let participants control the lights on Science World British Columbia’s geodesic dome via sensors on a beach ball-sized orb across the water.

**Moment Factory does the vast majority** of its work in Montreal from a 40,000-square-foot space in the city’s Mile End district. Walking into it is like strolling into an open-concept smorgasbord of high ceilings, computer monitors and skinny jeans. There are salads and beer taps in the cafeteria. It seems as though roughly a quarter of the employees are on skateboards at any given time.

“It’s easy being an artist here,” says Pontbriand, a lighting expert by trade, referring to the city beyond Moment Factory’s walls. Quebec invests heavily in culture: the provincial government has allotted nearly \$800 million for 2018-2019 alone, giving access to an unparalleled system of grants and tax credits. “When I started my career in show business, as a guy who wasn’t very well known, I still had access to these huge venues with all kinds of equipment and technology.”

There’s even a certain institutional camaraderie amongst would-be competitors. In 2013, the city approached Moment Factory with a novel idea: make something remarkable out of the Jacques Cartier Bridge for the city’s 375th anniversary.

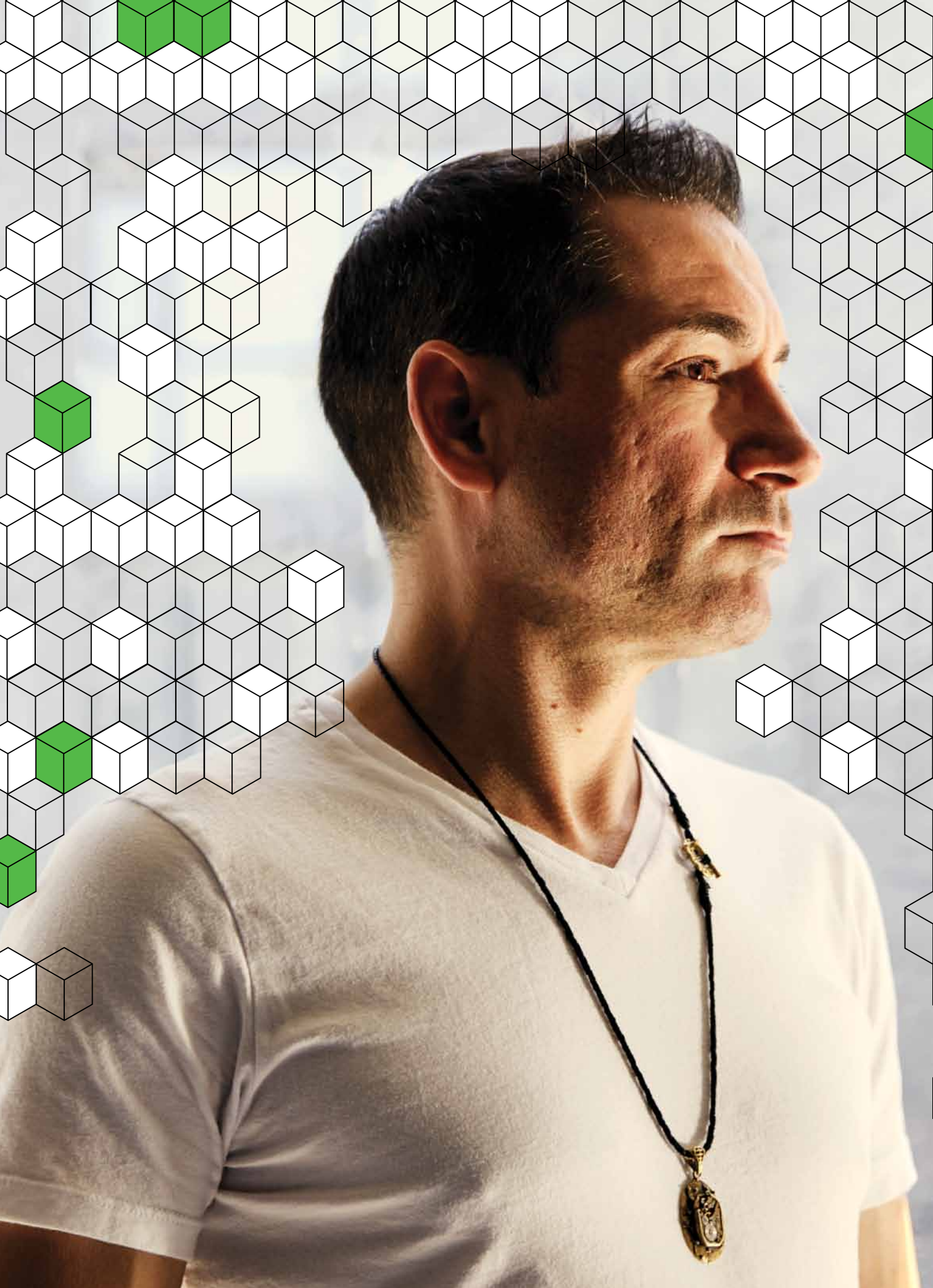
Megaphone, Montreal



The bridge, which connects Montreal to the South Shore, is a pedestrian affair, figuratively and literally—unremarkable, utilitarian, painted the colour of hospitals and prison cells. Moment Factory worked with six of its Montreal-based competitors to turn it into something remarkable at night.

The \$40-million *Connexions vivantes* (“Living Connections”) has the bridge turning a different colour every night, from green to blue and everything in between, thanks to over 2,800 LED light tubes encircling the girders and spires. It will shine for 10 years.

*Living Connections* was the fruit of 250 people; Moment Factory was only the best-known of the seven competing Montreal multimedia firms who worked on the project. Pontbriand sees them less as competitors than as Moment Factories in waiting. “There is a base of expertise here,” he says. “If you are a visual artist in Montreal, there is work here for you. There are little Moment Factories everywhere.” ♦





# THE CRYPTO KING

**Fifteen years ago, he worked for the family business manufacturing patio doors. Today, he's a cryptocurrency tycoon who's gate-crashed his way to the top of Canadian business. He says blockchain will revolutionize the way we live. Can Anthony Diorio really know the future?**

BY NICHOLAS KÖHLER  
PHOTOGRAPHS BY NATHAN CYPYRS

**A**nthony Diorio is stopping for a selfie with an eager fan. He's surrounded by them—young men in hip-hop baseball caps or ascots with slicked-back hair—and shadowing him is a bodyguard with an earpiece. His acolytes ask him for jobs, or about mysterious things called ICOs and atomic swaps, or seek out other arcane cryptocurrency investment tips Diorio refuses to give. They crane their necks anyway to catch his every word.

Now and then he stops for another picture.

"Taking photos right now," the bodyguard says into his hand.

Diorio moves through it all as though through mild weather. He wears his uniform: blue jeans, \$600 Common Projects white sneakers, a white V-neck T-shirt and a blue ball cap unadorned by logo or affiliation. He's about to address a crowd of 8,500 at the Real Estate Wealth Expo, a kitsch event at a downtown Toronto convention centre for folks seeking to make it rich. Later, Sylvester Stallone will deliver a "Knockout Strategies" keynote, the Miami rapper Pitbull will perform in leather amid spandexed dancers, and Alex "A-Rod" Rodriguez will tout the wisdom of hiring PhDs—"poor, hungry and driven." Geared to traditional

bricks-and-mortar enrichment—“Funding and Flipping,” “Love It or List It”—this isn’t Diiorio’s scene.

Or is it?

He’s certainly come a long way fast. Fifteen years ago, Diiorio was working for the family business in Toronto’s north end manufacturing sliding patio doors. Today, at 43, he’s practically Canada’s poster boy for instant wealth, a crypto billionaire—perhaps worth a little less now that the markets have ebbed—and a co-founder of Bitcoin’s main rival, Ethereum. In February, *Forbes* magazine put him on a “Prophets of Boom” list featuring 19 of the world’s richest crypto players. He’s one of the most mercurial figures to gate-crash his way to the top of Canadian business—a political nonconformist and a self-exile from the real estate market—a textbook crypto character, right down to his flair for self-promotion.

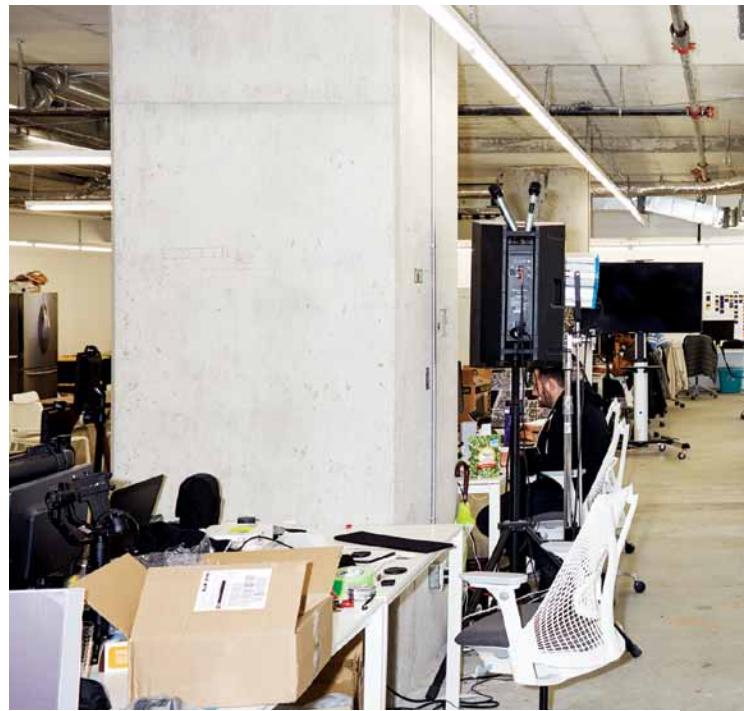
Diiorio’s global ambition is to bring cryptocurrencies to the masses. To do it, his company, Decentral Inc., has developed a cryptocurrency “wallet” called Jaxx, which brings into tangible focus what can otherwise seem awfully abstract. In essence, the sleek smartphone app lets users hold and manage a laundry list of virtual currencies, from Bitcoin and Ether to lesser known or more niche tokens like Iconomi and Gnosis.

Diiorio sees virtual currencies as the linchpin of a revolution that will transform the way we live. If the arrival of crypto is like the dawn of the Internet, he says, then Jaxx is like an early browser—think Netscape—that helped lead to the explosion of online life. To Diiorio and his fellow enthusiasts, the future of money is virtual, eliminating the need for third parties and central authorities—governments, banks, law firms and so on—in financial transactions, legal agreements, land purchases, investments and everyday purchases (imagine one day reading a magazine article like this one, for a small fee collected automatically and invisibly from your device). To anyone in traditional business, such a change is unfathomable. To Diiorio, it’s inevitable.

The core virtue of “crypto”—a common shorthand for virtual currencies—may lie in its ability to safeguard user identity: we could be entering an age in which cryptographic signatures render passwords, bank account and SIN numbers, and other sensitive, cumbersome elements of online life, nearly obsolete. Crypto may even give us a bulwark against such monolithic Internet players as Facebook and Google, which today make money based on what they know about us. Diiorio’s crypto wallet, Jaxx, for example—unlike some others—lets users manage their virtual holdings without the participation or oversight of a coordinating server: no bank, no PayPal, no nothing. Not even Jaxx itself knows who you are. “I don’t want user information. I don’t want to hold people’s money,” Diiorio says. “I don’t want it because then we’re a central system that needs protection.”

That revolutionary message, and the brain-punishing complexity of the system that undergirds it, make this an opaque world. When Diiorio, a small man with sharp elfin features and almond eyes that he often hides under blue-tinted glasses, arrives onstage at the Wealth Expo to talk about the “hot world of crypto,” the problem is immediately put to him: “Explain it to me like I’m five,” someone asks. Diiorio gazes at the crowd:

“I go 1,200 years back,” he says. “To the start of money and to cowrie shells.”



**Bitcoin first arrived a decade ago** as an idea for a “peer-to-peer electronic cash system,” a reaction, in part, to the global financial crisis.

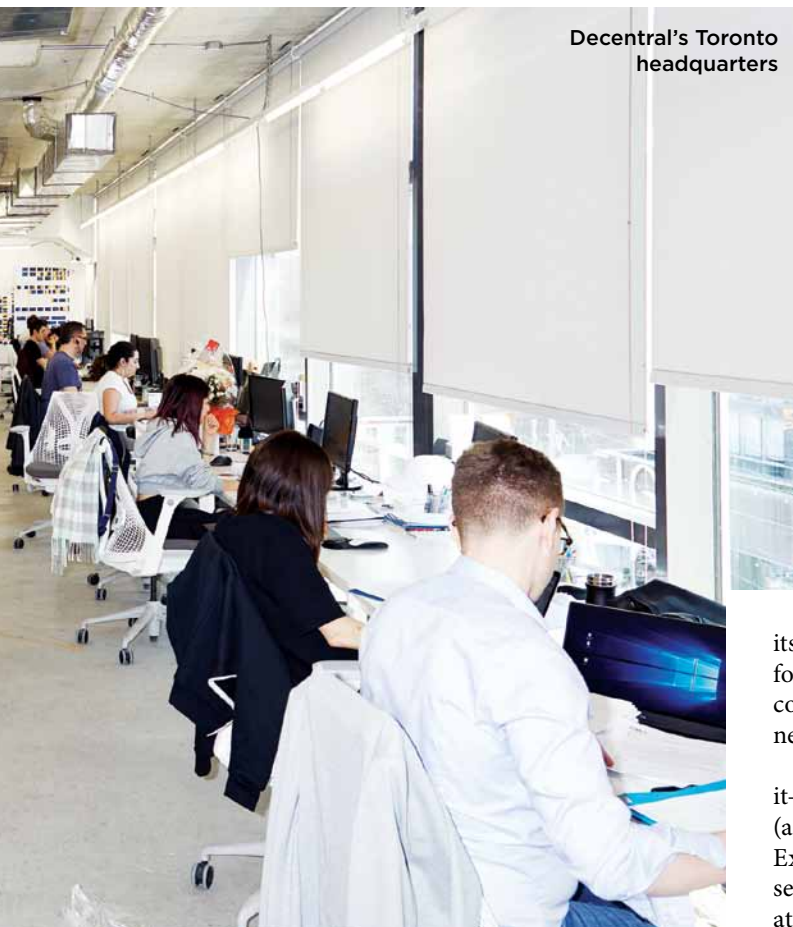
A Bitcoin is a unit of digital currency that exists only online. It is not governed by any central authority, such as the Bank of Canada, and like the computer operating system Linux, it is not owned or run by any one person or entity. Rather, it’s a kind of “open source” community project that, at bottom, lets people send each other money in much the same way that we send and receive email.

Bitcoin is the best known of about 1,600 virtual currencies. They all depend on a thorough accounting of who owns what—I have five Bitcoins, you have seven—and the databases where this information is recorded and stored are called blockchains.

Every 10 minutes or so, the Bitcoin system creates a new “block” that contains all the Bitcoin transactions that have taken place since the last block, and adds this new block to the chain. Say, for example, that of my five Bitcoins I send you two, so that your holdings now total nine, mine three: that movement of coins will be reflected in the blockchain ledger.

Like an infinitely complex game of dominoes, each block in the chain is encoded with cryptographic information linking it to the preceding block, as well as information that will marry it to the block to come. This locks the data into an incorruptible and immutable sequence. The blocks and the ledger they maintain are also jointly held and agreed upon by a vast network of computers located around the world, giving the system an elasticity and durability that protects it from tampering, disruption or censorship.

Binding the system together is the incentive of mining. Each new block on the chain contains inside it a simple but labour-intensive mathematical problem—say, for example, to find a prime number with 10 consecutive zeroes in it—that computers around the world compete to solve. The computer that wins the race gets to add the next block to the chain, and for its trouble is awarded an amount of Bitcoin—12.5 Bitcoins, or almost \$124,000, as of now. (Each crypto system maintains



Decentral's Toronto headquarters



"Tele-presence" robots

**Diiorio's vision is to bring crypto to the masses. He compares this moment to the dawn of the Internet. "We empower people to own the keys to their lives."**



Diiorio (left) with an event specialist

its own blockchain, and it's here the systems differ; Ethereum, for example, produces blocks every 10 to 20 seconds.) These contests ensure no outside agency can anticipate where the next link in the chain will appear and so alter the system.

Crypto isn't cash—try buying milk down at the corner with it—but it's an established store of value, and some vendors (among them Microsoft's app stores and the travel website Expedia) already take Bitcoin. At this point, individuals who seek to secure virtual currencies mostly do so by buying them, at exchanges like Coinbase in the U.S. and Coinsquare in

Canada, much as we buy and sell stocks. They keep their holdings either in their exchange accounts, or in digital wallets like Jaxx, Diiorio's main product. These wallets therefore provide a point of contact between people and their virtual savings, just like a Gmail account gives you a place to park and peruse your email. Diiorio's aspirations for Jaxx make him part of the race to push virtual currencies into ubiquity.

Much of the excitement around crypto today centres on Ethereum, where as an early investor, Diiorio made a lot of his money. While Bitcoin is remarkably good at financial transactions, Ethereum, first proposed in 2013, boasts a rich programming language that may make possible a wider array of applications. The enthusiasm is spreading.

Slow to warm to the idea of virtual currency, the establishment now appears ready to jump in. The Bank of Canada began looking at Ethereum as a way to settle large transactions between financial institutions in 2016. Early this year, TMX Group Ltd. said it would launch a digital platform to help bridge the gap between legacy financial players and newfangled crypto. And in May, reports suggested that both Goldman Sachs and

the New York Stock Exchange were preparing themselves for high-stakes Bitcoin trading.

Crypto won't leave the old guard unscathed, Diiorio says, and its revolution will spread through the business world, even into politics. "Democracy is a bunch of people telling other people what to do," he says. "Technology's going to provide new ways of governance, new ways of removing fraud from voting. I'm all for personal liberty. You should be able to do whatever you want as long as you're not targeting anybody."

**That's highfalutin talk**, but so far much of the fuel that's propelled crypto has been the trade in contraband—the Silk Road, a now defunct "dark web" marketplace for drugs and almost anything else, was an early Bitcoin bonanza—as well as currency speculation. Like all new frontiers, this one attracts innovators and free thinkers, but also charlatans, hype merchants and snake oil salesmen. Often these operators are all these things wrapped into one.

Already in his 30s when he found Bitcoin, Diiorio straddles old and new. He's every bit as complex as the world that's made him rich.

And crypto has made him unimaginably rich. If his holdings are largely virtual, his lifestyle is an illustration of how the digital increasingly bleeds into the world of material things. Diiorio says he has purchased the top three floors of the Adelaide Hotel Toronto—formerly the Trump International Hotel and Tower—and he describes plans to connect these suites up into one vast condominium unit totalling 16,000 square feet, which he says would make it the largest condo in Canada. Until then he lives in a minimalist 7,500-square-foot downtown condo in which a south-facing window doubles as one side of an infinity swimming pool: a giant aquarium for people.

Diiorio has taken to wearing a mechanical clock pendant given to him by his friend Brock Pierce, a former Hollywood child star-cum-crypto tycoon who wears a poncho and wants to build a crypto city in Puerto Rico called "Puertopia," sustained by virtual money.

Often, when Diiorio speaks, one is left with the impression he can engage with interlocutors only through marketing jargon. "We build tools for the masses," he says, poring over a flow chart listing 20 of the more than 100 companies partnering with Jaxx. "We empower people to own the keys to their lives as everything turns more digital."

The Decentral offices are located near his condo, in a large open block that's all polished cement and maddening acoustics. As a staffer prepared to leave for the day, Diiorio encouraged him to check out the Aston Martin parked below, one of two he'd had redone in Ethereum and Bitcoin colours to give away at Decentral's relaunch of Jaxx in New York.

But the update Diiorio was so eager to unveil—a one-stop-shop app for all things crypto called Jaxx Liberty—wasn't ready. The developers racing to perfect it were hunched over keyboards, in the offices, but elsewhere in the world, too. His remote employees interact with Toronto staff thanks to a fleet of "tele-presence" robots—essentially iPads mounted to adjustable giraffe necks rolling around on Segway-like wheels.

"Nice meeting you!" the full stack developer Alexandru Culea recently told someone from Bucharest, Romania, where it was

already 11:30 p.m. (Diiorio asks staff located abroad, many of whom are customer support people, to keep Toronto time). Staffers say the robots are noisy and too often bump into things.

Recently, on a trip in his Cadillac Escalade to visit his parents at his childhood home in Richmond Hill, Ont.—along with his bodyguard and a driver—Diiorio pondered his evolution. He grew up in affluence, the youngest of three, in a palatial house built by his father, Lino, who ran a construction firm alongside his work with the family patio door business. Diiorio was an avid hockey and soccer player who also went to computer camp, and he says he started building computers at the age of eight. Later, he half-heartedly pursued a business degree at Ryerson University. "My parents' term was 'cavalier'—I was very cavalier," he says.

While he was still in his early 20s, Diiorio and his older brother, Elio, briefly ran a web design company, creating an e-commerce site for the curling equipment business that Lino and their mother, Lynne, launched in 1996. (Lino has several curling patents, and many Olympic curlers have medalled wearing the sliders he designed.)

Rather than as a tech prodigy, Diiorio is probably best understood as an early adopter and as a scenester with a knack for enterprise. In the early 2000s, he was an electronic dance music DJ who also devised, using state-of-the-art software, artificial CGI landscapes that he printed on canvas and sold for \$500 on eBay. He took a marketing job at a catalytic converter company, then ran the install teams at a cousin's cornice moulding company. For a time he did grunt work at Sunview Patio Doors, the family firm. In 2005, he bought his first property, a big house near York University that he cut into units, moving into one and renting the rest to students. That was followed by a string of acquisitions, making Diiorio a landlord and a property manager.

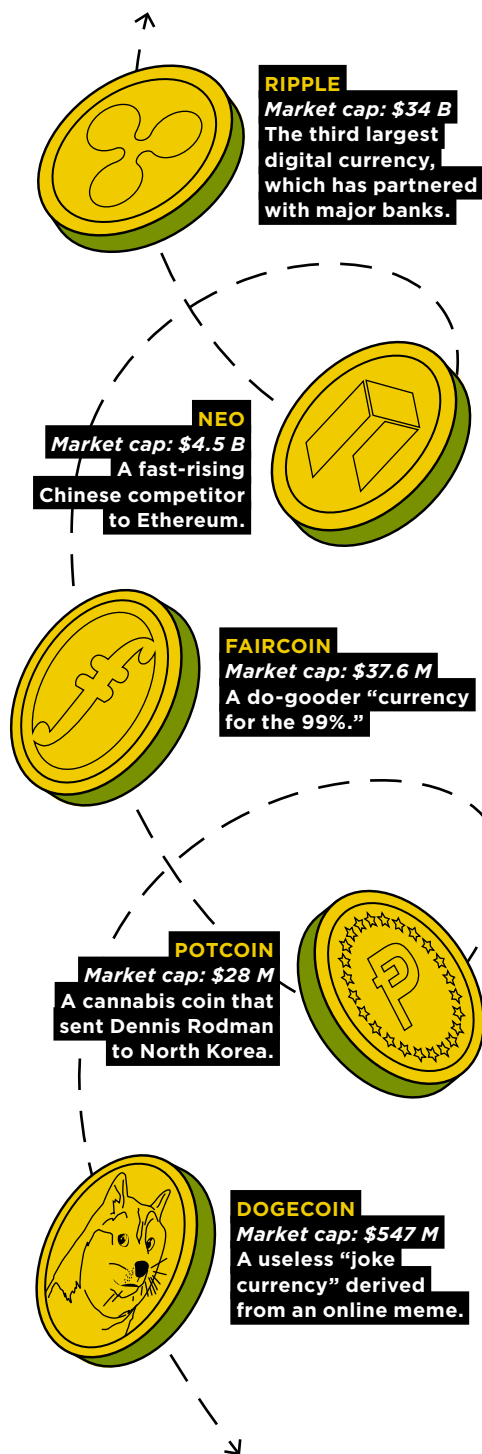
After the family sold the patio door firm, in 2008, his father offered to set him up in a field of his choice. Diiorio, excited by green technology, shipped a million-dollar drill over from Italy and got into geothermal drilling. Here he found himself in competition for drill operators with the still-booming Alberta oil sands, and the men proved hard to manage. Little pointed to his future success, or to his pioneering a potentially world-changing technology. Soon, he was suffering from depression. "It was a rough time," he says. "I was a bit lost."

**He was also increasingly under the spell** of his brother Elio's contrarian views on money. A one-term Richmond Hill local councillor, Elio had become convinced of the insubstantiality of government-issued, or "fiat," currency. By 2007, he was conducting research into the question of money full time—a two-year odyssey that saw him combing through archives and the Law Society of Upper Canada library. "I came to the conclusion," Elio says, "that fiat money is essentially legalized fraud."

To test his findings, Elio says he deliberately provoked TD Bank into taking him to court, where he could present his ideas before a judge. He did this by attempting to pay a debt of more than \$170,000 that he held with TD by writing the words "consumer purchase" on a piece of paper and then, citing lesser known passages from the Bills of Exchange Act,

## IT'S A REAL COIN TOSS

Beyond Bitcoin and Ethereum, there are more than 1,600 cryptocurrencies. We rank five, from big-league to bizarre.



arguing TD could present it to the Bank of Canada, which would then use it to issue currency in the amount he owed. "The way I suspected they were creating money was by taking someone's signed agreement to pay a debt and using that as the asset to create the funds," he says. "If banks can create money based on a signature—why can't I?"

Elio tried to buy a car and pay a lawyer this same way. He lost in court in 2010, and failed in an attempt to appeal the next year.

The gambit may sound outlandish ("fine, maybe it is," Elio says), but it played a key role in Diiorio's discovery of cryptocurrencies, and highlights a skepticism of the status quo that's characteristic both of Diiorio's approach and of crypto in general. "My brother got me thinking about the system—banking and money and government—and how things used to be backed by gold, or how people used to use seashells or feathers, to where we are now," he says.

Diiorio's distrust of the way things are had intensified after the 2008 U.S. housing crash. Convinced Canada's real estate market was next, he sold everything and moved into an apartment his parents kept in his childhood home. Rudderless yet flush from the sale of his properties, he started listening to hours of podcasts every day. He became enthralled by Peter Schiff, the maverick banker whose YouTube anthology of TV appearances prior to the U.S. credit crisis, in which his warnings of disaster prompt laughter and derision, is called "Peter Schiff Was Right." Under his influence, Diiorio bought \$100,000 in gold and silver—and quickly lost \$20,000.

Nevertheless, Schiff's libertarianism struck a chord. Like many in crypto, Diiorio has a penchant for Austrian school economics, and he likes to name-check Ayn Rand. He typed "freedom podcast" into Google and found Free Talk Live, a daily, two-hour libertarian anarchist call-in show, and began listening obsessively. It was there, in mid-2012, that he first learned of Bitcoin. He made his first investment in the virtual currency that very day—buying one Bitcoin for \$9.73.

"I wasn't sleeping," says Diiorio. "I'd be up all night, reading, learning, understanding, devouring the forums."

**The promise of operating without banks** or with less government oversight captured Diiorio's imagination. Eager to build a crypto community in Toronto, he began advertising a gathering of enthusiasts on meetup.com, and held the group's first meeting in November 2012 at Pauper's Pub, where he'd already attended libertarian gatherings.

The event drew just a handful of people. But among them was Vitalik Buterin, a University of Waterloo computer science student who had been born in Russia and raised in Toronto. Only 18, he was already a co-founder of *Bitcoin Magazine*. Shy, ill at ease, he had almost nothing to say. A year later, he'd propose Ethereum, a blockchain system that allows programmability in the form of self-executing "smart contracts." It would make many—Diiorio among them—very rich.

At about this time, Diiorio was working with a New Jersey-based developer he'd met through Reddit to launch Satoshi Circle, a graphical Bitcoin gambling site with a roulette theme. Diiorio says the project cost a few thousand dollars to set up and that he and his partner made their money back in a day.

In 2013, Diiorio sold the site for 1,200 Bitcoins. Added to his earlier investment, this gave him Bitcoin holdings totalling 3,000—at the time equivalent to \$300,000. Then, just as quickly, Bitcoin's value soared, to \$1,200. Suddenly, Diiorio was sitting on the equivalent of \$3.6 million. Soon, he was executive director of the Bitcoin Alliance of Canada, a lobbying and advocacy group he'd helped establish, and began to travel the world delivering the gospel as a cryptocurrency evangelist. His offices, then on Spadina Avenue, became home to an early Bitcoin ATM—with it you could buy Bitcoin for cash and vice versa—and a distinctive orange sign out front heralded the coming new age.

**Around the same time** Buterin began circulating a white paper describing his ideas for Ethereum. Michael Perklin, then a digital forensic investigator in Toronto and an early member of the city's crypto scene, remembers the excitement when Buterin shared the proposal.

"It represented a new way of building a blockchain," says Perklin. "Rather than shoehorning additional functionality into a machine that could do only one thing"—Bitcoin, designed solely for financial transfers—"Vitalik was saying, 'Scrap it all, let's build a brand new technology you can reprogram on the fly.'" For the techies involved in the scene, this was a revelation, says Perklin. "Other people who happened to be there saw the excitement and had dollar signs in their eyes and thought, 'Let me see how I can pretend I'm involved.'"

With his new wealth, Diiorio was in a position to help fund Buterin and his collaborator's work on Ethereum, making him one of eight founders of a system that now boasts a market cap of \$78 billion (down from \$165 billion in January thanks to yet more volatility in a sector that has so far been defined by it).

Buterin and the team backing him assembled at a rented house in Miami in January 2014, ahead of the North American Bitcoin Conference there. "I felt like I was in the garage with Bill Gates and Steve Jobs," says Gianni D'Alerta, who first met Diiorio there, and is now director of marketing and branding at Decentral. "There were people coding in the closets, people outside debating protocols—it was really exciting to witness." Within months, Diiorio and the other Ethereum founders crowdsourced US\$18 million in Bitcoin by mounting an "initial coin offering," or ICO, of its Ether token—up until then the largest ICO ever.

That excitement quickly turned to upheaval. Differences within the crypto community are common, and passions run high over minute details incomprehensible to the rest of us. This was different: Ethereum's future was at stake, with the founders battling over whether they should go forward on a not-for-profit or a for-profit basis. Diiorio favoured the latter.

But at a meeting in Switzerland, where the Ethereum Foundation is now based, Buterin's preferred not-for-profit model won out (despite his riches, Buterin is known for a kind of techno-asceticism). Diiorio has worked alone ever since. "I learned to avoid having partners," he says, "and even taking people's money."

**Today crypto is a Diiorio family business.** Anthony's brother Elio is a co-founder of Musiconomi, a music platform that aims to run on the blockchain. Their sister, Christie Harkin,

is managing editor of *Bitcoin Magazine*. Their parents are crypto investors. Elio likes to say his grandmother's side of the family, the Di Salvo clan, has long been associated with invention in Italy, where they were known as the *ingeniosi*—the "ingenious" (nomenclature is important to the family, and Anthony spells his name Diiorio to avoid the sans-serif confusion between capital "I" and lower-case "L"). Harkin says it's this trait—a knack for conceiving the new—that's behind her brother's success.

"It's not new ways of doing old things," Harkin says. "You have to have new ways of doing new things—and if you don't have that creative side, you can't imagine the future before you build it."

But Diiorio is a controversial figure in the crypto sphere, associated by his more technically minded, skeptical peers with hype and inflated token prices. He appears always on the move, and is often called a "serial entrepreneur." He was even briefly chief digital officer at the Toronto Stock Exchange but left after eight months to focus on his own business. Jaxx, Diiorio's main focus, makes money by collecting fees from partners who want space on the platform, and by charging them for the transactions Jaxx facilitates.

ShapeShift, for example, an instant digital asset exchange that lets users convert virtual currencies from one token to another, moved a billion dollars' worth of volume through Jaxx last year, Diiorio says. (Also last year, the Cointelegraph news site reported that a "vulnerability" in the Jaxx wallet led to the pilfering of some US\$400,000 worth of crypto; in an interview, Diiorio blamed customers who improperly stored their devices.)

Even as he works to perfect Jaxx, which he says has amassed a million active users, Diiorio appears conscious of the possibility he's already peaked, and eager to demonstrate he's got ideas of his own. "I like to say the biggest thing I've done so far was Ethereum," he says. "Now Decentral—I think—will be the bigger thing."

And the future? At his offices in downtown Toronto, Diiorio described a recent visit by representatives from Sidewalk Toronto, a proposal by Google sister company Sidewalk Labs to build a "smart city" district on Toronto's waterfront from "the Internet up." Like Google's other enterprises, the Sidewalk plans have prompted concern about personal data and privacy—concern that's only grown since Facebook's Cambridge Analytica scandal. "They wanted to meet up with us because they're trying to figure out how they can do decentralized identity systems," says Diiorio. "That's what we do—there's a lot of people looking at our model of not collecting user information."

It's a technology that upends the business model of those Internet giants who make money by supplying an excellent service for free and selling to third parties what they learn







## Differences in his world are common, and passions run high. Since leaving Ethereum, Diiorio has worked alone. “I learned to avoid having partners, and even taking people’s money.”

about us when we use it. “I’ve seen where this is heading since 2013 and we’ve been preparing, planning, getting infrastructure built up,” says Diiorio. “Eventually I think those models are going to disappear.”

To listen to enthusiasts like Diiorio is to glimpse a future where gatekeepers vanish—a world of self-executing wills and robot insurance policies, instant, broker-free real estate transactions, and music platforms that will see artists get automated, fair and transparent payment for play. Diiorio describes a time when floodwaters trigger policy payouts without an adjuster’s visit, and when the authenticity of your Louis Vuitton handbag is guaranteed by physical chips locked into the blockchain—same goes for medicine, spirits and purebred animals.

Imagine a short-term lodging marketplace like Airbnb that’s truly peer-to-peer, without a central platform that seeks a cut of what the hosts charge guests, and in which the legal contracts governing transactions are built right into the blockchain. Such a system would likely be cheaper to run and cheaper to use. Or better yet, imagine buying a ticket to *Hamilton* directly from the theatre—without the requirement of dealing with Ticketmaster. In that case you’d know your money would, as per the terms of a self-executing contract, automatically get

to the next thing: the next enterprise in the serial, the next block in the chain, the next selfie at the next get-rich-quick event—wherever change brings him.

On May 16, it led him aboard the 210-foot party yacht *Cornucopia Majesty*, in New York Harbour, headed out to the Statue of Liberty. There he addressed the thousand-strong crowd assembled for his Decentral event. He started with a promotional video in which a computer-simulated Diiorio avatar, wearing Diiorio’s jeans-and-white-sneaker uniform, outlined Jaxx’s new features. Computer-simulated Diiorio was in the company of a chirping, diminutive CGI penguin who jumped onto his back and turned into a jetpack blasting him into the future. In real life, the revellers below him on the yacht wore Diiorio’s white electronic wristbands, programmed to flash in synchronicity to the beat of a trance DJ’s deafening output and, at the end of the night, to reveal the winners of those two crypto-themed Aston Martins.

“Let’s just kick this up right, guys,” Diiorio said in the mic as the trance beat clicked into motion.

It was dark amid the seagoing nightclub atmosphere, but he was wearing his blue-tinted glasses. With or without change, Diiorio was still a scenester. ♦

split up and routed to Lin-Manuel Miranda, his performers, costumers, crew, etc.

Video killed the radio star, then Facebook and Google the newspaper, now Facebook and Google and Airbnb could be next. The revolving door of what works and what doesn’t spins now at a remarkable rate. So do the relationships that form and give rise to the next big thing. If Diiorio has a talent for anything, it may be in connecting people. But by his own admission, he hasn’t been in touch with Buterin for a while. Vitalik’s father, Dmitry, a computer scientist who’s also involved in the crypto scene, makes no secret of his feelings about Diiorio: “My personal biased sentiment,” he wrote on Twitter in November, “based on what i know, i would not touch any project that Anthony DiIorio is involved in, with a ten foot pole.” (Dmitry declined to comment; Vitalik couldn’t be reached.) So what’s that all about?

“No idea, and I don’t really care,” Diiorio says. “He makes the claim that I’m not a founder for some reason, too.”

Instead Diiorio says he’s on

BY BRIAN BETHUNE  
ILLUSTRATIONS BY GLUEKIT

# The Wisdom of Dragons

**For a bracing, sometimes terrifying lesson in what it takes to be an entrepreneur, you could read all the bestsellers by the stars of *Dragons' Den*. Or you could just read this.**



Canada's Dragons—the soaring capitalist ones, that is—began spewing literary fire in 2010, in the chaotic wake of the Great Recession and four years after they first gathered in their CBC lair. Led by Robert Herjavec and Kevin O'Leary—both now departed from *Dragons' Den* but still visible on the American equivalent, *Shark Tank*—Dragon books immediately landed on national bestseller lists. And, despite pauses over the years since—these authors are very busy people indeed—the books have kept on coming, no doubt reliable profit centres for their publishers. Arlene Dickinson, the most prominent and popular current Dragon, is applying the finishing touches to her third volume, slated for January publication. Canadians still love their Dragons, past and present, and still seek their entrepreneurial wisdom.



Clockwise from top left: Arlene Dickinson, Jim Treiving, Kevin O'Leary, W. Brett Wilson, Robert Herjavec

The Dragons are celebrities, albeit in a modest Canadian way, but they aren't (quite) famous for being famous—they are successful entrepreneurs first. The combination is what makes their books such hot sellers. If few of us, in a celebrity-obsessed culture, can imagine actually being Kim Kardashian, we can envisage being a middle-aged, balding curmudgeon with a sharp eye for the bottom line, like Kevin O'Leary—if only we can grasp, internalize and power forward with his business advice.

Not counting a few outliers, most notably David Chilton's *Wealthy Barber* phenomenon, which rocketed him to fame decades before the Dragons' books took flight, five current and former Dragons have taken the literary plunge. They are O'Leary (three volumes of the *Cold Hard Truth* series), Herjavec (*Driven, The Will to Win, You Don't Have to Be a Shark*) and W. Brett Wilson (*Redefining Success*) among the former participants in the show. Among the current cast, Dickinson, one of only four female Dragons ever (out of a total of 14), has penned *Persuasion* and *All In*, while Jim Treliving, the last original Dragon, wrote *Decisions*.

So what do they have to tell their legions of readers? Spread across what has become a substantial body of writing, there are dozens of solid, if not always easy to master, pieces of practical advice—we'll get to those. Taken as a whole, they comprise a kind of literary Great Course in the skills required and pitfalls lurking for a budding entrepreneur, as well as revelations about how would-be investors do, and should, think. And there is one adamant conclusion held by every Dragon: you have to be born to the life. If it's not in your psychological DNA, think twice, and then think again. Unless you're "crazy" to get started on your entrepreneurial career, writes Herjavec, it's not for you. You have to have the drive to turn a vision into reality, the urge to lay it all on the line for freedom and success, Dickinson says, and to do it 24/7 for 51 weeks a year, adds Wilson, who rather surprisingly admits to slacking off for seven days annually. The key necessity is passion, passion, passion.



There are individual differences, of course, deriving from personalities (and personality clashes), and the Dragons' different roads to success. Dickinson, 61, rose to wealth and celebrity status through her marketing firm, Venture Communications, meaning her primary product has always been herself. Her immensely popular first book, *Persuasion*, is all about selling one's self as the essential skill for a would-be entrepreneur. Herjavec, 55, may have mastered a sellable product outside himself—Internet security systems—but he still agrees with Dickinson. Entrepreneurs have to be performers in order to communicate their passion and sell themselves to investors and customers, or it won't matter at all what product they have on hand.

You won't hear that kind of talk directly from Boston Pizza magnate Treliving, 77, a former RCMP officer and cautious prairie boy to his core, the child of a man who refused to accept that anyone really owned their own home while there was still money left on the mortgage. But though Treliving doesn't come right out and say it in *Decisions*, between the lines it's

clear he's in complete agreement. Even Wilson, 61, whose book is a sobering account of the price that business success, let alone failure, can exact, tells his readers that scaling the heights turns on the seller, not on what's for sale.

Then there's O'Leary, who, at 64 and four years departed from the show, remains the brightest Dragon star of them all. As befits a financial guy—his current incarnation now that he is out of politics after running for the federal Conservative leadership last year—O'Leary is focused on dollars and cents. Money has no sense of right and wrong, little patience for more than figures in black ink, and no time at all for a sob story; tears, in fact, irritate O'Leary like little else. Often there's a bracing clarity to his stories of pathetic pitchers (the would-be entrepreneurs who appear before him) and readers can only

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## DRAGONS' DIS

# We Need to Talk About Kevin

*Everyone has something to say about the abrasive Kevin O'Leary, except W. Brett Wilson, who wasn't always pleased with his fellow Dragon (but rarely calls him out by name). Even O'Leary has comments on O'Leary, though he'd rather tell readers how soft a touch Wilson is.*

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nod along, however reluctantly. His reputation is a misreading of his essential kindness, O'Leary claims with a certain charming chutzpah: it's a far, far better thing to tell losers the brutal truth before they lose even more. His message is clear and consistent—never confuse money and emotion, and measure success by one simple question: "Did I go to bed richer than when I woke up?"

O'Leary, who opens his first book with an airport washroom encounter with a viewer who calls him an "a—hole" for being mean to *Dragons' Den* contestants, has no choice but to devote pages to discussing his public persona. But the other Dragons are happy to share their "We Need to Talk About Kevin" thoughts, too. With one notable exception, that is. W. Brett Wilson, often portrayed by other Dragons as the anti-O'Leary—in the sense they tend to think him too soft-hearted—has virtually nothing to say about his opposite number. (The latter does not return the favour, at one point declaring Wilson was suckered into an unwise investment in an acrobatic troupe by the spokeswoman's tears—the same tears that so annoyed O'Leary. The Saskatchewan entrepreneur probably made zilch from the deal, O'Leary snarks, although he did manage to cement his reputation as a "knight in shining armour.")

Wilson, whose book is about “redefining” success (as a social good, at least in part), is the true outlier among the literary Dragons. The others, who position themselves in the middle of a spectrum between Ebenezer Scrooge and Daddy Warbucks, have essentially stylistic disagreements with O’Leary. (The bottom line rules, yes, but you don’t have to refer to a poorly conceived jewellery business as “I’m Really Small Cockroach Jewellery Incorporated” as O’Leary once did.)

Herjavec is O’Leary’s only real rival for celebrity in Canada, and probably eclipses him in America, now that Herjavec is entering into the famous-for-being-famous stage of his career. He divorced his wife of almost 26 years in 2016, has performed on *Dancing With the Stars*, married his glamorous younger partner from the show (Kym Johnson), had twins with her in



First, though, are you up for it at all? O’Leary provides a helpful checklist for those wondering if they have what it takes, tongue-in-cheek in wording but serious in intent. Do you need to sleep? (Herjavec notes his ability to get by on four hours a night was hugely helpful in building his business.) Are you anxious if you have no idea how much money you’ll make this year? Or the next? Are you all right with being interrupted when working on something? Do you like the people you work with and hate the thought of staff turnover? Do you envisage a lot of “me time” in your life? Family time? Does the adrenaline flowing through you when you’re awaiting the outcome of a risky decision make you sick? Answer “yes” to any of those, and you should reconsider



“I’ve never looked at success through the lens of money. Apologies to Kevin O’Leary, my fellow Dragon, but you’re wrong about this one, buddy.”

**Jim Treiving, *Decisions***

“Anyone who seeks profit at Kevin’s expense is greedy, and anyone whose business plan exhibits a flaw is a cockroach and will be crushed like one. I find his approach to life and his single-minded attitudes toward money offensive.” **Robert Herjavec, *The Will to Win***



“Kevin likes to say that money has no emotions. What he misses is the point that money is the driver of so many emotions.”

**Arlene Dickinson, *Persuasion***

“For some reason, pitchers feel I need to know their medical history, their family’s troubles, their dead dog’s name... I blame this trend on some of my more sentimental colleagues.”

**Kevin O’Leary, *Cold Hard Truth: On Business, Money and Life***



April, and has reportedly sued and been sued by an earlier girlfriend amid a swirl of sexual assault claims and denials. For whatever reason—pure competitiveness, perhaps—Herjavec is the only Dragon/Shark to repeatedly compare and contrast himself with O’Leary. Entrepreneurship is really about passion, he writes (from the vantage point of his estimated \$200 million), and the drama of the TV shows will only seem to be about money “if the only Dragon or Shark you pay attention to is Kevin O’Leary.” Dickinson, in counterpoint to O’Leary, likes a good story—even a sentimental one—while Treiving name-checks his fellow Dragon when proclaiming success is not measured by fortune, but by health, family and contribution to the community.

Those are the sort of differences to be expected from strong personalities who often find themselves in competition in the Den, and completely overshadowed by their essential unity. Not only are entrepreneurs born, not made, the only real product they have to sell is themselves. And for readers of Dragon lit, that convincing unanimity may provide the books’ ultimate value, for the Dragons do not shy away from laying out the costs, as well as the prizes, of the entrepreneurial life.

quitting your day job; answer “yes” to the majority, there’s nothing to consider: entrepreneurship is not for you. “If you’re not passionate about the business you’re going into,” writes Wilson, who was deeply so and ended up both financially successful and personally regretful of his passion, “you’re likely never going to succeed.”

Say you pass the O’Leary stress test. You have Herjavec’s drive, Dickinson’s willingness to go all in, and the passion Treiving and Wilson write about. What then? The good news is that the vistas open wide, and the Dragons have solid advice to offer. Since the entrepreneur is the product, exactly what better mousetrap you might use to open investors’ wallets is almost immaterial. This point is never more evident than when cast in the negative. O’Leary’s self-described kindness is meant to stop would-be entrepreneurs from drowning in debt for a hopeless cause; Treiving declares himself “angry” when he listens to pitchers describing how they plundered their kids’ RESPs for something that will never make money, and Dickinson makes it plain: be a serial entrepreneur, don’t fall into the sunk-cost fallacy and rack up more debt in pursuit of money already gone forever, and do not despair that you will never have another idea.

So pick your poison. Your idea doesn't have to be completely original, Herjavec says, as long as it offers unique benefits. It has to be something your competitors can't easily and quickly duplicate—meaning some key part or aspect should be patentable. Then, the Dragons add in Greek chorus, research it into the ground. Know everything about it and be convinced it has a future. Picture in detail what you will actually be doing, adds Treliving, what making or importing, marketing and selling this item or service will mean to your daily life for years to come. Can you stand the prospect?

Then it's on to the money moment, including the pitch. Pitchers must engage the Dragons' attention quickly, which doubles their chances of success, says Herjavec; keep it simple, says O'Leary—if you can't explain your business to an eight-year-old, a venture capitalist's eyes will also glaze over; emphasize the benefits to investors, and try to move your monologue into a dialogue, advises Dickinson; stay pleasant, they all add—rude and arrogant pitchers, like O'Leary's despised snivellers, are doomed (the Dragons have the money and the right to arrogance, says everyone in so many words, save O'Leary, who spells it out); demonstrate that you've identified a real need you are planning to fill, says Wilson; be delusion-free, Herjavec insists—anything that sounds like, “My product is so great it will sell itself” won't get the chance to prove it; above all, have detailed and believable financials.

The winners on *Dragons' Den* all evaluate their financials soundly and outline them persuasively, says Treliving. They lay out sales records or plausible projections based on market research, several Dragons note, and they have information on their profit margins, on the best place for production based on costs, the market percentage they can reasonably aim for. They are honest and transparent about debt, and any other past setbacks.

So, you have the mindset and, just as important, have convinced the people with money that you do—that is, have sold yourself—and, almost incidentally, also have that need-filling product. That still doesn't mean you are on the cusp of wealth—far more start-ups fail than succeed. But, the Dragons agree, you have a shot, and they have much more practical advice to offer: on maintaining deep social and community engagement, for that's where potential backers will be found (Treliving); or reducing social ties and marrying late (Dickinson); on holding back on too-rapid expansion (Herjavec); on hiring, managing and firing employees (Dickinson again); on how to make sound decisions and deal with your own inevitable second-guessing (Treliving again); on the perils of being surrounded suddenly by yes-men after all the naysayers of the early years; on sharing the wealth or, more simply, revelling in it (O'Leary, of course).



The Dragons don't dwell on the price of failure, unsurprisingly, but they do write, to a greater or lesser degree, about the cost of success, particularly in terms of a major contemporary social issue, the elusive work-life balance we are all supposed to be striving for. Sometimes, it's the briefest flick: the balance is a myth,

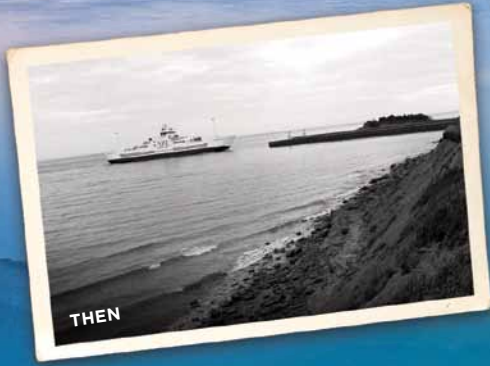
Treliving declares, because the all-consuming work has to come first, and thus his first two marriages failed.

Herjavec was dismissive of the clash of work and personal life as a real issue in his first book. Like the other Dragons, he allowed no doubting the notion that entrepreneurs cannot let go of their business demands on any consistent basis, but blandly asserted that success ultimately made up for all the time away from his wife and children. Not in his case, as it turned out—six years later, Herjavec was writing about the “overwhelming pain and sense of loss” his divorce had brought him. Wilson writes about his passion and commitment to his work, and his lack of those qualities elsewhere in his life: “I literally walked away from my marriage... ignored my health and... my children.” The elusive balance has to be fashioned in some way, says Wilson, and he found it in socially conscious investing. Over his three seasons, Wilson was the Dragons' leading dealmaker, he says, making twice as many investments as any other, and basing his judgments on the moral qualities of both applicant and project.

If Wilson writes with the rawest emotion, Dickinson provides the most wide-ranging discussion of family life in the entrepreneurial pressure cooker. In part that's probably because she is a woman—certainly she is *the* woman, for eight seasons alone among the boys in the Den—and has likely had the job thrust upon her by reader expectation. She too believes the balance is a myth. Cancelling meetings or trips with friends, missing kids' hockey games and failing to show up for family gatherings are all inevitable entrepreneurs' sins. Those drawn to the life have to shake off the guilt, because they are artists, as prone to obsessive immersion in their work and dark periods of doubt about their creative pursuits as any painter.

Live your life in changing “chapters,” Dickinson suggests, with some chapters having more time for private life than others. And, if you can't leave work behind, try to incorporate family and friends within your work. That sounds more than a little hazy, although not as contradictory as Dickinson's statement that she's learned to be present in the moment, whatever she is doing. If she's with her children, she says, she turns off the cellphone, something she had just spent pages arguing was impossible. Maybe, regrets and work-arounds notwithstanding, that's just the way it has to be—for entrepreneurs, the balance will always be hauntingly just out of reach. It's a sobering, useful lesson for readers, even those who are prepared to do the 24/7 and are either dedicated to a loner life or serenely convinced they—and their closest relationships—can beat the odds.

And maybe they can. Consider the group's anti-hero. O'Leary doesn't even acknowledge the concept of work-life balance. For him, all true entrepreneurs will at some point realize that they've just spent weeks in airplanes or days without sleep, and haven't seen their families since who remembers when. And realize, too, that they've “never been happier.” Perhaps happy entrepreneurs make for happy families. O'Leary, after all, though his marriage has had its ups and downs, is the only literary Dragon never to divorce. ♦



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# LAST OUT



## EXTRAORDINARY ITEM

### LET IT BE LIGHT

Farewell, aluminum. Airstream is making a bid for the #vanlife set with a cheaper, lighter trailer

BY MATTHEW HAGUE

**THE GAMBLE:** For the first time in its nearly 90-year history, RV manufacturer Airstream is producing a fibreglass trailer, the Nest. It's lighter (3,400 pounds, which means it can be towed by a small SUV as opposed to a truck), more contemporary looking (crisp,

minimal, iPhone-esque) and cheaper (US\$49,500 versus \$139,000 for a full-size Classic) than its metallic counterparts. The company hopes to capitalize on North America's expanding RV market, currently worth \$20 billion. The towables market alone grew by 14.4 per cent in 2017, driven by sales of Nest-like campers. Still, the Nest poses a risk to the brand: while a proprietary gel coating makes the camper's body more durable, such lightweight shells tend to break down after 10 to 15 years. That's a dangerous game for a product that's built a name on lasting forever.

**THE PLAN:** According to COO Justin Humphreys, Airstream isn't worried about brand damage. The Nest launch, he says, is all about "entering a new market. The small molded fibreglass segment of the RV industry is a space we feel we can compete in nicely and attract a new buyer." RV enthusiasts have traditionally been older, but are increasingly young first-timers who are enamoured with the wanderlust of #vanlife, the social media phenomenon of travelling in small, mobile digs and documenting it with aspirational Instagram posts.

PHOTOGRAPH COURTESY OF AIRSTREAM





## HAPPY TRAILERS

These lightweight campers make it easy to hit the road (or the water)



For vacationers who can't decide between a boat and a trailer, there's the fibreglass **Sealander**. The 70-square-foot camper (with a bedroom/dining space and kitchenette) has a built-in motor that converts the vessel into a mini yacht.

From \$27,250. [sealandercanada.com](http://sealandercanada.com)



At 50 square feet, the tear-shaped **Vistabule** is tiny (the sofa folds into a bed; the kitchen unfurls from the trunk), but offers expansive views through the moon roof and the front and rear panoramic windows.

From US\$17,995. [vistabule.com](http://vistabule.com)



**MyPod** is microscopic (less than 50 square feet), lightweight (630 pounds of fibreglass) and can be towed by almost any sedan. For claustrophobic types, an optional, attachable screen almost doubles the floor space.

US\$10,000. [golittleguy.com/lg-mypod](http://golittleguy.com/lg-mypod)

**THE RESULT:** Since the Nest launched in April, Can-Am RV Centre, in London, Ont., has sold a few of them, according to sales representative Dan Meyer, and interest from customers is strong. "The question, for that price, is whether or not the RV will hold its value in the long term," he says. "It costs quite a bit more than traditional fibreglass RVs. I've sold 40-year-old Airstreams that are structurally sound. I've never even seen a 40-year-old fibreglass trailer." In other words, it's too soon to draw conclusions. Meyer says that

Airstream is currently producing only five Nests per week and, as a result, the higher level of craftsmanship going into these campers could set them apart from cheaper, mass-produced fibreglass models. There's certainly no shortage of those on the market (see Happy Trailers, at right). Last year, revenue at competitor Winnebago surged with the introduction of small, millennial-friendly trailers, which at their most expensive—the comparably sized Minnie Drop—are still \$28,000 cheaper than the Nest. ♦

VELOCITY

# GENERAL MOBILITY?

A storied automaker starts to change direction **BY CHRIS SORENSEN**

General Motors' near-death experience in 2009 underscored the perils of ignoring shifting consumer preference until it's too late—a hazard GM is now desperate to avoid as car-sharing services gain traction around the globe.

The storied Detroit automaker earlier this year announced the expansion of its two-year-old Maven car-sharing unit to Toronto, the 17th North American city and first international location for the fledgling service. Like Zipcar, Car2Go and others, Maven offers city dwellers a compelling proposition: source a car on your phone, pick it up at a local parking lot and rent it by the hour. (Insurance is included, though there is a deductible.)

There are also rumours, first reported by Bloomberg.com, that GM is exploring a peer-to-peer car-sharing

service that would encourage owners to rent out their cars, trucks and SUVs when they're not using them—a sort of Airbnb for vehicles—following in the footsteps of start-ups like San Francisco-based Turo.

technologies and electrified powertrains. "They created Maven to be the umbrella for all of these new kinds of mobility services."

Globally, an estimated 24 million people currently belong to a car-sharing program, a number predicted to grow by 20 per cent annually over the next four years. While that's still a tiny fraction of the more than one billion cars on the world's roads, there's little arguing with the attractiveness of ride-sharing.

## WHY PAY THOUSANDS A YEAR TO FINANCE, MAINTAIN AND INSURE A VEHICLE THAT SPENDS MOST OF ITS USEFUL LIFE IN A DRIVEWAY?

"GM has been on the more aggressive side," says Michelle Krebs, executive analyst for the online marketplace Autotrader.com, adding the industry is "on the cusp of major change" amid advances in self-driving

Why pay thousands annually to finance, maintain and insure a vehicle that spends most of its useful life parked in a driveway or garage?

Mark Latchford, Maven's Toronto general manager, says GM hopes to



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differentiate itself in the increasingly crowded car-sharing market by offering higher-end vehicles—including SUVs—and a host of infotainment and connectivity features meant to appeal to tech-savvy urbanites, who, studies show, are increasingly likely to forgo car ownership. “You don’t have to worry about getting a membership or a key—it’s just your phone,” Latchford says, noting Maven signed up more than 4,000 users in Toronto during its first 60 days. “That’s the key to everything.”

While Latchford says he’s not aware of plans for a peer-to-peer service, he’s quick to acknowledge that Maven functions as a laboratory where the 100-year-old company can test new ideas and learn about everything from fleet management to mobile payments: “Using Maven’s insights, data and experiences is kind of preparing General Motors for the future.”

Ultimately, the question for GM is whether it can make enough money through car-sharing and other mobility services to offset any impact the trend has on its bread-and-butter business of building automobiles. Lawrence Burns, a University of Michigan professor and a former GM vice-president of R&D, wrote last fall in *Autonomous Vehicle Engineering* magazine that an automaker’s average net income per vehicle ranges between US\$1,000 and \$5,000, whereas a self-driving transportation service vehicle with a 300,000-mile life can earn about \$30,000.

But there’s a caveat: GM’s historical strength is automotive design, engineering and manufacturing at scale, not customer service. That element of the business is currently handled—some would say not very well—by the carmaker’s vast network of independent dealers. Adopting a more consumer-oriented approach like Apple, Google or Uber will require a brand new skill set, not to mention a major culture shift.

“There’s certainly a risk if they don’t do it well,” Krebs says. “But there’s probably an even bigger risk if they don’t do it at all.” ♦

## IT’S LIKE AIRBNB FOR...

Say “sharing economy” and people immediately think Zipcar or Airbnb, which, incidentally, earned \$100 million last year by charging fees for renting out space in strangers’ homes. But rides and rooms are far from the only services being swapped. From mouldy basements to empty restaurant tables, here are some other examples of the what’s-mine-is-yours economy at work. —Chris Sorensen



### Stuff

Why not a sharing site for all those things in your basement you’ve bought, and only use occasionally? The founders of Fat Lama had the idea when they were renovating in East London, U.K., and found it hard to rent ladders, tools and the like. Users can rent things they might expect—a camera, a ski rack, camping equipment—and things they might not—a little black cocktail dress, running shoes, a didgeridoo.



### Storage

Spacer, an Australian firm that bought San Francisco space-sharing pioneer Roost last year, makes it possible for anyone with an empty basement, garage or attic to cash in on America’s US\$30-billion self-storage business. How lucrative is it to store someone else’s junk? An empty garage fetches about US\$400 a month.



### Bathrooms

An idea long overdue, Rockaloo lets you use your smartphone to book nearby private washrooms in Manhattan, Brooklyn and Queens. Prices range from US\$0.99 to \$8.99 for up to one hour. You simply walk in the door—they’re typically bars, restaurants and coffee shops—show your phone to the proprietor and proceed to be relieved.

### Tables

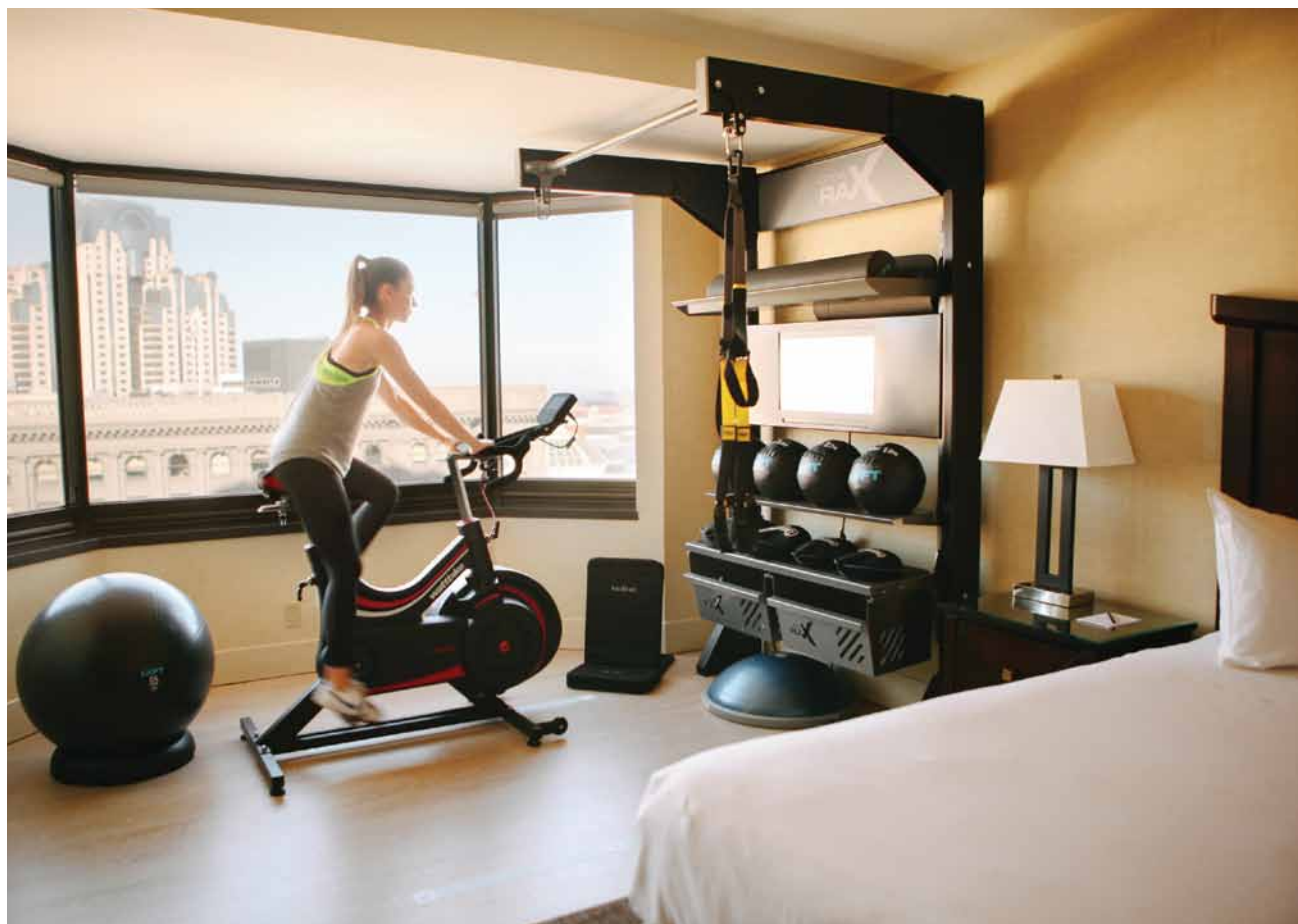
Coffee shops no longer have a monopoly on laptop-toting freelancers and entrepreneurs. Now restaurants and bars in New York can rent out their dining areas to the self-employed between the lunch and dinner rush via KettleSpace, launched last summer. Users pay between US\$25 for 10 hours a month and \$99 for an all-access pass. Free WiFi and bottomless coffee are included.



### Luggage

The next time you’re dragging a suitcase through London while waiting to check into a hotel, try calling up LuggageHero on your smartphone. The service connects burdened travellers with local businesses like convenience store Jimmy & Sons near Covent Garden, which charges about \$5 per hour per bag to store your luggage. Best of all, it’s insured against loss and affixed with a tamper-proof seal.





OUTWARDS

## BED, BATH AND BENCH PRESS

Forget pillow menus and turndown service. Frequent travellers just want to squeeze in a decent workout when they're away from home. That's why hotels are reimagining the premium suite as a private health club of one's own. **BY ANYA GEORGIJEVIC**

From the doorway, it looks like any other hotel room: there's a plush king-sized bed opposite a flat-screen television and a small desk. But once you step inside, it's clear this isn't a standard guest suite.

In place of an executive chair, the desk has been paired with one of four high-tech stationary bikes guests can choose from, including a Wattbike—a brand endorsed by a handful of elite cyclists that can connect to a rider's workout-tracking app. Opposite the bike, beside the headboard of the bed, is a Gym Rax training station that includes wall-mounted TRX workout pulleys, medicine balls in varying

weights and stretch mats. Even the room's micro-details are fitness-specific: a "hydration station" is stocked with calorie-free drinks and a protein shake, and in the bathroom, Biofreeze muscle rub is tucked in among the miniature bottles of shampoo and body wash.

This hotel room turned private gym is an offering launched by Hilton in May of last year, in 10 of the chain's locations, including Austin, Atlanta and Orlando; six more are planned. The idea is to make working out when away from home customized, motivating ("You're crushing it today!")

says the voice in one of the guided exercise tutorials that can be accessed through a touch-screen TV) and preposterously convenient. "The idea was born out of data from our guest research that showed guests want an inclusive fitness room that gives them a variety [of equipment] and opportunity to work out in whatever way appealed to them that day," explains Melissa E. Walker, Hilton's senior director of global brand wellness.

According to Elle Lasher Walker, consultant at WGSN, a trend forecasting company, the hospitality industry is embracing hyper-customized fitness services to attract both younger consumers in search of personalized experiences, and business travellers who've long endured cramped gyms with shoddy equipment and fluorescent lighting in the basements of hotels, well, pretty much everywhere.

As Joe Chan, lawyer and partner at Richards Buell Sutton in Vancouver,

puts it, “So often the hotel gym seems like an afterthought. If I’m paying for a bougie luxe stay to make a work trip that much more bearable, it’d be nice if all the details were thoughtful.

A gym can be so much more than a windowless room with a treadmill.”

Given the intense competition the traditional hotel industry is facing from Airbnb—*Forbes* recently reported a 1.5 per cent loss in hotel revenue in the 10 U.S. cities with the largest Airbnb market share—it’s easy to see why so many hotels are pushing hard to excel where the low-amenity house-sharing giant hasn’t: in high-end self-improvement services. “The hospitality industry [has] really been shaken up by the sharing economy, so a lot of people feel that change is in the air,” says Lasher Walker. “It’s forcing businesses to think really creatively about what consumers want.”



Twenty-nine rooms across 10 participating Hilton properties have been given the boutique-gym treatment and cost roughly 20 per cent more to stay in than regular premium rooms.

“Many of the [participating] hotels are considering expanding into additional rooms as the response has been overwhelmingly positive,” says Walker. The occupancy rate is roughly 70 per cent, on par with other premium rooms.

While the hotel-room-as-fitness-

studio concept seems novel enough, the idea has been gathering steam for several years. The Intercontinental Hotels & Resorts company launched a chain of hotels in 2014 called Even, designed exclusively for the wellness-seeking traveller. Each Even room—in cities including Rockville, Md., Brooklyn, N.Y., and Eugene, Ore.—comes equipped with yoga blocks and a mat, core exercise balls and resistance bands. The walls of the “in-room training zone” are decalced with motivational slogans, and guests can access fitness videos on the hotel brand’s YouTube channel. And, of course, Even’s menu is built around healthy organic meals and snacks.

A slew of other hotel properties, both boutique and big chain, are attempting to amp up their fitness cred by striking partnership deals with wellness companies. Westin Hotels and Resorts launched a program that loans guests workout gear from New Balance for only \$5, eliminating the need for travellers to pack fitness wear (clean or dirty) in their carry-ons. The Fairmont Vancouver Airport hotel, likewise, has teamed up with Reebok to offer guests loaner workout gear, along with post-workout snacks and access to their on-site gym, for \$20 to \$50 per day, depending on the level of amenities you choose. At the boutique chain Le Germain, a Lululemon partnership means guests at any location can access express yoga sessions from their room using complimentary mats and asana videos.

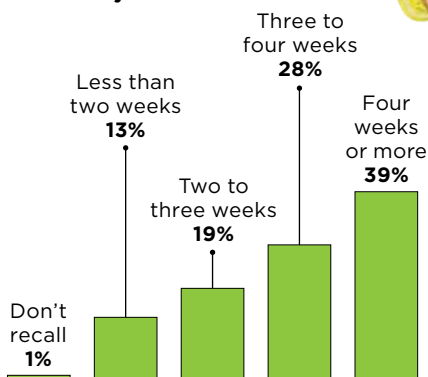
While Hilton, Intercontinental, Le Germain and company have yet to report how their fitness packages are selling, a recent study from the Cornell Center for Hospitality Research hints at consumer appetite. It surveyed 782 guests across 33 hotels in the U.S. and found that while 22 per cent of hotel guests use fitness amenities while travelling, 46 per cent said they intended to work out during their stay. Making that workout convenient—by placing the equipment, the motivational slogans, the outfit and even the Bengay at the foot of the bed—might be enough to shrink that gap. ♦

## ESCAPE

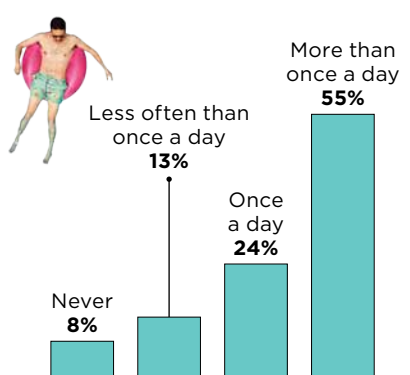
# BUSINESS OR PLEASURE?

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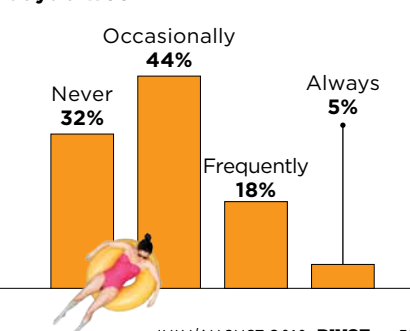
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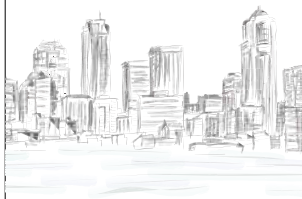


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## WORTH THE WEIGHT

Teresa Yeung, a 27-year-old CPA, is a competitive powerlifter—and the third strongest woman in Canada.\* Here's what she's learned about pushing through. **BY BARBARA BALFOUR**

**I was born in Hong Kong and raised in Markham, Ont.** After an undergrad in mathematics and a masters of accounting at the University of Waterloo, I went to work at Ernst & Young, where I'd been a co-op student. I've been there since 2011.

I started powerlifting two years ago. Before that, **I was on the Team Canada dragon boat team.** That's how I got introduced to strength training. A group of powerlifters at the gym convinced me to try the sport. They were watching the amount of weight I was moving while training for dragon boat and kept saying, "Try it. You'll be good at this."

I train four to five times a week for two to three hours at a time and compete three times a year. At the national championships last February, **I squatted 347 pounds, benched 204 pounds and dead-lifted 386 pounds.** I came in third in my category.

Handling stress at work and when competing isn't all that different: I break what I need to do into smaller tasks so it's not as overwhelming—the next lift at a competition, the current task at work. **The big difference is, at work I have a team to coordinate with, but in powerlifting, it's just me.**

It took my mom a little time to accept all of this—**she wasn't a fan of the big muscles.** She's better now. Sometimes it's difficult to find clothes that fit, but it's worth it.

I think powerlifting has had a positive impact on my body image, **my confidence, and being a leader.**

At work, I analyze different sets of data to provide insights to clients on where the risks and areas for improvement are. In powerlifting, I look at my training data to determine what has worked and what hasn't. **In both training and in work projects, I've built dashboards to help visualize the data.**

My diet is pretty flexible. I try to get all my proteins from whole foods like chicken and eggs. I track my body weight every day so I have more control over what to eat. **My weakness is Hawaiian pizza.** Currently, I'm averaging about 2,700 calories per day.

\*in the 63-kg weight class

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