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Profile



Intrinsyc operator

Derek Spratt heads a company with a \$51.7 million market cap — 15

Derek Spratt

By Paul Harris

Intrinsic enterprise

A risk-taker and an idea-generator, Intrinsyc Software Inc. founder Derek Spratt heads a company with a \$51.7 million market cap



A seemingly relentless turbine engine of ideas, tech CEO Derek Spratt barely has time to finish describing one thought before a fresh one flashes down the conveyor belt.

A succession of material arrives prepped and ready for processing – everything from ideas on self-worth, business ethics, the importance of family and, of course, Intrinsyc Software Inc., the company he founded a decade ago.

"This is our thinking room," he presents, as we enter his modern, brightly-lit downtown Vancouver office. "Our guys can come in here and sleep on the couch and if you have got a brainiac idea come in and share it. I have been around a lot of businesses with a fixed process and structure, and they wonder why things do not work out in the long haul."

The 43-year-old seems a genuine believer in the Miltonian marketplace of ideas. This is reflected not only within the confines of the thinking room, but throughout the flat hierarchy of Intrinsyc and its attitude toward staff.

"In tech, there is the idea of the individual's IPO," he said. "You are allowing the development of a commonality of belief if you keep people's pride and self-confidence. There is no respect if it does not flow both ways – it breaks down instantly. You have to give people a level playing field."

Stripping away the traditional boss/worker relationship also allows him to understand more closely what drives his teams. That approach wouldn't fit all businesses, he admits. "There is comfort in hierarchy," he said, while seated neatly on the couch. "I can understand why corporations form these layers, but the problem is it is hard to root out the underperformers."

Spratt said the company has a handful of fairly senior staff with "loose day-to-day responsibilities."

"They often are people who are the most productive, but we do not technically constrain them. They can make lateral moves without asking permission. Whereas there are other people who are more clearly scheduled."

While it makes good business sense, it's also a recognition that while Spratt knows well his own strengths, in the lightning tech field

he needs to rely on others, too.

"Guess what? I have not written a lot of code in 15 years. C++ was brand new when I stopped coding," he said.

Spratt has been in the tech sector for 25 years – since the days he developed software as an undergrad at Queen's University in Kingston, Ontario. Unlike many contemporaries, he stepped off the academic treadmill after his first degree.

"My mother thought it was disgraceful that I never went back to school."

The business world was simply too alluring. Prior to founding Intrinsyc, Spratt had co-founded

PCS Wireless Inc., a Vancouver-based wireless broadband start-up, and worked for several other companies, including Nexus Engineering Corp. and Motorola Inc.

He conceived of Intrinsyc after learning not only how tech companies were funded but also "how to get some of this money into my hands."

He remained as president and CEO from 1996 to 2001. Spratt briefly switched his role to that of Intrinsyc's chair when he co-founded Consequent Technologies Inc., a mobile device management technology company. He sold CTT's assets as part of his return to

Mission winning mobile market share

Assets an ideas machine

Yield a leading software developer

Intrinsyc as its CEO by 2003.

At press time, Intrinsyc (ICS:TSX) had a market cap of \$51.7 million and its shares traded at \$0.91.

Spratt is also a board member of the BC Advantage Funds, a venture capital corporation. "Derek is a very dynamic and innovative individual with very sound business sense," said fellow Advantage board director George Hunter, president of Leading Edge BC. "I know he has done a great job."

Despite Intrinsyc's success, Spratt remains remarkably down to earth. Married for 20 years, he lives with his wife, Cheryl, and their three boys in the same Dunbar bungalow they bought in 1989.

"It is good to be a parent and have something other than yourself to obsess over," he said. "I am the manic personality, I am the risk-taker and push the envelope, but if it was not for my wife we would never run the home, or get the grass cut, or pay the bills," he said. "She is a very disciplined thinker and it is funny how your spouse can be such a big part of your life without being in the office."

Cheryl works in the same West Pender Street office block as Spratt but because of their demanding schedules, they drive to work in separate cars and rarely cross paths. Lunch is taken over paperwork at their own desks, and Spratt jokes that he occasionally finds time to take his wife a coffee.

The paperwork currently consuming his energy involves leveraging the Microsoft Windows CE operating system to create software that allows mobile phone manufacturers to design more cost-effective and feature-laden handsets. Codenamed "Polaris," Spratt said the project is a "go big or go home" strategy. Intrinsyc showcased the initiative in France in February and anticipates software shipments to begin in 2006.

Of the company's 140 staff, around 20 are based in Bellevue, Washington. A similar number are in the United Kingdom, with the remainder in Vancouver. This latest project augments Intrinsyc's overall expansion strategy.

"We want long term stable relationships that grow deeper and stronger and you can only do that when you are impeccably honest," said Spratt. "You cannot solve problems without take risks."