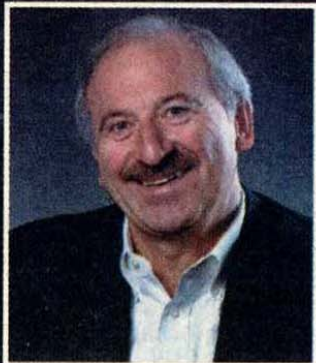


Peak Performers

While Japan and Asia fell off the economic radar screen, the NDP spun its business-killing policies and our resource economy took hit after hit, some businesses in B.C. still managed to thrive. We've brought 50 of them together here, in *BIV's* Fastest Growing Companies supplement. Meet six of the province's best business stories over the past five years and scan our lists for other top performers spanning the range from startups to our best-known public companies. They all deserve our respect for creating jobs, growth and opportunity for people both in B.C. and elsewhere.



- S2—Mainframe generates reel growth
- S2—Absolute Software bucks tech trend
- S3—Intrinsyc Software listens to customers
- S4—Fast growth halts for Stockhouse
- S5—Mini-Tankers fills industry need
- S7—ACD Systems welcomed by digital world
- S8—Fastest growing lists
- S14—Fast growth can be trouble
- S15—Five years of growth



Lou Novak
Mainframe
Entertainment Inc.



John Livingston
Absolute Software Corp.



Derek Spratt
Intrinsyc Software Inc.



Jeff Berwick
Stockhouse Media Corp.



Jack Lee
Mini-Tankers
Canada Ltd.



Douglas Vandekerhove
ACD Systems Int'l Inc.

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BARRISTERS & SOLICITORS

Bankers' advice not always the best

Intrinsyc Software Inc. succeeds by listening to customers' needs

Tracy Tjaden

Avoiding the hype, managing growth and listening to customers instead of bankers are reasons behind **Intrinsyc Software Inc.**'s rise as one of B.C.'s fastest growing companies.

President and chief strategist **Derek Spratt** said the company sidestepped the pitfalls of other high-tech companies by adhering to its customers' call for a broad range of services, rather than listening to investment bankers. They were telling smaller companies to narrow their focus and target niche markets.

"The bankers were saying, 'Be something very narrow, something that fits the flavour of the week in the public markets and we'll finance that,'" Spratt said. "We realized we couldn't get to that nirvana, that exciting high-growth model until we paid the rent."

When the company started in 1995, the focus was software licensing. Customers, however, said they needed basic engineering services and help getting their operating systems up and running and working together, Spratt said.

"Now the business model has matured, with a blend of revenues and the high-volume licensing is starting to kick in."

Intrinsyc helps companies create new Internet devices and link and remotely manage large networks of

these devices, which could include anything that has a computer chip in it.

For example, **Ford Motor Co.** wanted to collect data from robotic arms and machinery on its factory floors for more efficient management of the overall process. Intrinsyc created a system to track the machines' operations, allowing devices to send an alert to the central control system if a malfunction occurred.

RANKING: 3

Intrinsyc Software Inc.
Derek Spratt, president
1996 revenue: \$82,472
2000 revenue: \$3 million
Percentage growth: 3,507 per cent

One of the company's niche areas is designing software that allows systems using Windows, Linux and Java to "talk" to each other.

Spratt said the company's niche is its operating system independence — the ability to help customers choose the right system and networking software to translate between different operating systems.

"We live in a networking world where we believe there is no one-size-fits-all, so you've got to have the ability to communicate between these different islands of computing," he said. "We're basically saying

we pledge allegiance to our customers, but not the technology vendors."

Spratt said the company expects to start turning a profit in the next fiscal year, which begins in September.

The company posted losses of less than \$1 million in the third quarter and is projecting a \$500,000 loss in the fourth quarter, which ends August 31.

"We — over six years — put our nose to the grindstone, paid the rent, worked hard on the plan, avoided all the flash and we built a real business," said Spratt, 39. "We're cashed up and we're about to start adding to that cash instead of subtracting from it."

Glen Tracey, a technology analyst with **Pacific Int'l Securities** who covers Intrinsyc, said maintaining relationships with a variety of vendors to give the company expertise in more than one area seems to be working for the company.

"They're not viewed as a one-trick pony," Tracey said.

Several recent moves are behind Tracey's bullish outlook on the company:

- in January, 2001, Intrinsyc acquired **Linar Ltd.**, a British software developer, for US\$3 million in cash and shares;
- **Rational Software** and **BEA Systems Ltd.** both licensed Intrinsyc's J-Integra software to include it in their product lines;
- over the past few quarters, the

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DOMINIC SCHAEFER

Narrow focus: Intrinsyc president and chief strategist **Derek Spratt** rejected bankers' advice to be the flavour of the week

company has strengthened its relationships with **Siemens** and **Ford**; and

- the company's alliances, intended to stretch its market reach, include **Pioneer-Standard Electronics**, **Intel** and **Microsoft**.

"They're doing a good job opening up new channels to market and leveraging off it," Tracey said.

Intrinsyc became a publicly traded company in 1996 and moved to the TSE on January 9, 2001. ■

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