



**Tech Futures:**  
**November 1, 2002**

By [Michael Volker](#)

### **The Great Options Debate, Corp Gov for Tech Companies, Is Capital in Short Supply (where are the angels)? Tech Bets, Capital Pool Corps Update, Local Events and Footnotes**

In his Technology Futures column, Mike Volker packs in a lot of goodies in this month's column. He sheds some light on the great options debate noting that Canadians appear more willing than Americans to succumb to the call for expensing stock option grants. However, what's not well understood or agreed to, is HOW this will be done. You might be surprised at some of the nonsense that's going on. There's a lot of talk about corporate governance and in the wake of new rules and regulations, it's time for company boards to take a crash course on this subject. For example, does your board have a policy on equity monetization? Capital is always a popular subject and in this column, Mike looks at some new developments, especially on the angel front. What does it really take to get funded? The column concludes with some market observations and commentary on local happenings.

#### **The Great Options Debate**

The debate over corporate stock options and how to account for them is heating up. In my [September column](#), I advocated the abolishment of options altogether (not by regulation, but voluntarily). I still feel the same way. However, if corporate boards see fit to use options as part of their company's compensation plan, they're likely going to have to change the way in which they report this to their shareholders.

In the U.S., regulators are calling for companies to voluntarily expense the granting of stock options. In Canada, the Accounting Standards Board is going further by suggesting that the expensing of options be made mandatory. The thinking behind this is that options, because they provide employees with a salary benefit, must be accounted for on the corporate income statement to more accurately reflect a company's performance.

Interestingly, no Canadian company has spoken out *against* the idea of having to expense stock options. However, I like what **Izzy Asper**, broadcasting magnate, said at the recent **Canadian Association of Broadcasters** conference. He noted that stock options don't impact a company's bottom line - they are a drain on shareholder value. Think about it: A company's profitability (ie its corporate performance) is not tied to the number of shares that are outstanding. True, if there are more shares (i.e. as a result of stock options being exercised), then the earnings *per share* will go down, but not the company's overall P&L performance. If you buy this line of thinking, companies are effectively already accounting for options. After all, if more people are sharing the pie, the pieces become smaller.

Big Corporate America - companies like **General Motors (GM)** and **General Electric (GE)** - are OK with the idea. Silicon Valley companies like **Intel** and

others like **Microsoft** (NASDAQ:MSFT) are dead set against the idea because of their widespread and generous use of options to attract top talent to their companies. **Pivotal Corp** (NASDAQ:PVTI), a local example, stands to suffer a 25% potential dilution if its outstanding options are exercised.

In the case of Microsoft, the cost, depending on how you define "cost", of stock options works out to more than a quarter of the company's profit, according to **Don Young**, an analyst with **UBS Warburg**, one of Microsoft's investment bankers. To Microsoft's credit, the top honchos don't take personal advantage of options. "We never have taken options, we never will take options," **Bill Gates** is on the record as saying. (Besides, Gates and Ballmer don't really need options because they already have about 16% of Microsoft, making them two of the richest men in the world.)

Microsoft's 2001 reported net income of \$7.3 billion would have dropped to \$5.1 billion if the company expensed options, a 30% decrease, according to its 2001 annual report filed with the **Securities and Exchange Commission**. On a per-share basis, Microsoft's reported \$1.32 earnings per share in 2001 would drop to 91 cents per share if options were expensed.

The opponents are quick to point out that valuing options presents tricky problems on which there is no agreement. They claim that regardless of which approach is adopted, investors will still be misled by the earnings statement. It will be difficult for companies and analysts to create any meaningful earnings estimates. Furthermore, messing around with stock options will discourage their use, doing damage to start-ups and high tech firms. **T. J. Rodgers**, a Silicon Valley CEO, calls the proposals "destructive." So, say the companies, the logical course is the current FASB policy -- disclose options as potential dilution (no one disagrees with that) and let investors apply whatever valuation technique they favor.

GM, one of the companies that is saying "yes" to the expensing of options notes that it will decrease profit by some U\$130m or U\$.24/share in 2005. In addition to GM, A growing number of large companies such as General Electric, **Coca-Cola Co.**, **MetLife**, **The Washington Post Co.** and **Bank One** have all announced they will expense options.

The big question, and one that there's no general agreement on, is HOW are options to be expensed and WHEN should they be expensed? If they're expensed at the time they are granted to employees, companies will take a hit even if those options are never exercised (will the expense be reversed in this case? Can you imagine the accounting and reporting headaches this will cause?). Or, should a company expense them at the time that the employee exercises her option in which case it could use the same formula as that which is used for calculating the employment income benefit (as reported on our beloved CCRA's T4 earnings slip)?

One method that has already gained some acceptance, involves the reporting of an expense which is not an actual cost at all but some grossly inaccurate estimate of the "fair" value when options are granted.

This "fair" value can be calculated using the **Black-Scholes** option formula. Please note that **Myron Scholes** is the Canadian scholar from Timmins, Ont who shared the **Nobel Prize** in economics in 1997 for this definitive work on options valuations). This is an estimate of the approximate "fair value" of newly granted options if they could be sold and hedged. It is this estimate - not a real cost - that is about to be considered a cost by companies that adopt expensing.

**Jeffrey Garten** recently wrote in **Business Week** that employee stock options should "be charged against corporate income when they are cashed in." Unfortunately, the **Financial Accounting Standards Board** (FASB) won't allow companies to do that. Instead, rules set down in 1995 by five of the seven FASB members only permit expensing of an estimate. Good grief!

Many options will expire worthless or will never be exercised, so why expense them? This is why I like the T4 method. This is straightforward and is already being calculated by companies when preparing employment income slips - both in the USA and Canada. Example: if an employee has 1000 shares that she exercises at \$5 when the shares are trading at \$10, she has an employment benefit of \$5,000. One could argue that the company has a real cost of \$5,000 because it has "given up" \$5,000 in cash that it would have received had it sold the same 1,000 shares from treasury directly into the market (i.e. the company would receive \$10,000 itself instead of sharing it with the employee).

This T4 method is really no different than the practice of writing down a corporate asset. If land or buildings are sold for less than their book value, companies write off the difference and treat it as an expense. Shares that are sold off below their true value (in this case book and market values would be the same on the date of sale) should be similarly expensed.

One bugaboo about this calculation and, believe me, it has given lots of tech execs plenty of grief is the value that is used for determining the "Fair Market Value (FMV)" of the stock. Should it be the closing (or average) price on the date that the employee gives notice of her intent to exercise, or should it be the date on which the shares are acquired? If they're sold immediately one could use the actual sale price. As I've reported before, CCRA (Canadian Customs and Revenue Agency) compels optionees to do this otherwise they risk having a subsequent loss which cannot be offset against the calculated T4 benefit. Notwithstanding this, many optionees actually like to become real shareholders and may not sell their shares for many years in which case an FMV (which also becomes the employee's adjusted cost base for future capital gains determinations) near the date of exercise would be the best choice. I would suggest that an FMV which reflects a moving average (30 days or what?) or a volume-weighted figure be used. As we all know, tech stocks are especially volatile and within a weekly window prices can fluctuate by double-digit percentage points!

So, what's wrong with the T4 approach? Well, it doesn't give shareholders any indication about potential dilution. As I mentioned earlier, the earnings per share (EPS) already accounts for past dilutive effects. The simple answer, then, is to use report EPS on a fully diluted basis. Additionally, companies should, and many do, already report the total percentage of options grants (as a percentage of issued shares). If shareholders are aware of *both* the options overhang (dilution potential) *and* the real T4 cost of sharing stock proceeds with employees, why make it any more complicated than that?

### **Corp Gov for Tech Companies**

There's been a great deal of talk and debate about so-called "corporate governance". What is this all about? And what about all the new regulations in Canada and the USA that dictate to company boards how they should run their companies? What are the implications of all this?

I attended a recent **BC/TIA Roundtable on *Increasing Board Effectiveness*** showed how little CEOs, directors and investors really know

about this subject.

The panelists included **Peter Briscoe**, President and Chief Executive Officer, **Conveda Corporation**, **Victor Giacomini**, Chief Financial Officer, **West Bay Semiconductors**, **Kevin Cable**, Managing Director, **Cascadia Capital**, **Jonathan P. (JP) Michael**, Senior Vice President and Manager **Comerica Bank**, Technology & Life Sciences Division.

Because of time limitations, they were only able to scratch the surface of this very complex subject. That's why we're putting together an all-day workshop on December 3rd.

For instance, when asked about directors' compensation, I was shocked by the panelists' response. They all believed that you could recruit a director - in a startup - by giving them less than 1% of the company! Why, even VP's get a more attractive deal than that! Yet, directors are the ones who are the ultimate soul, conscience and liability-carriers for a business. Let's suppose that a director receives 1% of common stock (not options), with a vesting period of 3 years, in an early stage pre-financing deal. No cash fee (which I disagree with) is paid. After other team members and investors enter the picture, this ownership is likely to dilute down to 0.5% tops. Now, if all goes well, and if the company is sold for \$100 million (it happens, but it's a long shot), that director will get \$500K. More likely, though, the company will be worth \$10 million giving the director a \$50K gain. That's not much when you consider the huge risk, liability, and the probability that there will be a zero payoff. I can tell you from first hand experience, that I once got stuck with a personal tax bill because the company did not make its payroll withholding tax remittances. Yet, the CEO and the management team all get a regular paycheck on top of their founders position. I believe that if you really want an effective board, you've got to make them a part of the company - not just a bunch of token big shots.

One panelist said that there's a lot of "boilerplate" available on governance. What does that mean? And, what's good boilerplate versus bad? An excellent point made by one of the financiers is that D&O (Directors and Officers liability insurance) insurance gives you just that - insurance, not protection! Another mentioned that boards need to be managed. Now, isn't that a strange perspective? I thought that it was the boards who are supposed to make sure that the company is managed properly! In this regard, at least all panelists agreed that the main function of the board is to recruit the CEO. (Yet, in the first instance, it's the entrepreneur/CEO that recruits the board!).

The all-day session that's planned for December 3rd will address the finding of directors, setting a board charter, succession planning, dealing with overbearing or incompetent directors, evaluating their performance and, of course, remunerating them fairly. It's also get into how directors can bullet-proof themselves. Regulatory changes and their impact will be covered. Already some jurisdictions, such as Ontario - which just this week announced some sweeping and onerous new laws, are mimicking the knee-jerk reaction in the USA. (Too bad there isn't a similar knee-jerk reaction to violence, like banning guns.) For example, CEOs and CFOs will have to sign off on financial statements. Mis-statements will be punishable by imprisonment.

The introduction of the **Sarbanes-Oxley Act** in the U.S. to curb white collar corporate fraud may actually bode well for us here in Canada unless we acquiesce (looks like Ontario already has, whereas BC hasn't yet) and adopt similar, ridiculous rules.

The one size-fits-all approach in the U.S., may kill some companies. Case in point - I know of a Nasdaq company that is stuck because it's auditors will not sign off on the company's financial statements. They are worried about being sued. When I asked what it'll take to get them to approve the statements, I was told "higher fees", presumably to cover their liability insurance with a little greenmail to boot. The accounting firms will become rich. Too bad we can't easily invest in them!

A good boardroom topic relates to corporate ethics. Here's an interesting ethical dilemma: Put yourself in **Martha Stewart's** shoes for a moment and let's see if you're going to be a goody two-shoes or not. She's in hot water for selling her shares in **ImClone** just before a negative report was issued. The press has reported that she got a tip from a broker (some say that it came from the company's founder) who told her that insiders were selling stock. How many people in this situation, especially outsiders, would not react as Martha did? Imclone's founder and scientist **Sam Waksal** ultimately did the right thing by confessing to his crime (rather than fighting it with expensive lawyers) for tipping off his family members. A good board might have prevented this by having all insiders fully educated and informed about insider selling and appropriate public disclosure if and when they do.

As another ethical topic, Canadian corporate insiders have long used a little known tool referred to as "**equity monetization**". Most of our major banks profit nicely by facilitating these transactions. It works like this: you hold a million shares in a public company (which you received either when you merged your company with a pubco or when you took your company public). Let's say that the stock is trading at \$100 and you'd like to unload 100,000 of your shares for a cool \$10 million. Your bank gives you a \$10 million loan and you give the bank a call option on your stock. The bank takes very little risk because it shorts the 100,000 shares in the market, thereby locking in the \$10 price.

The use of this technique is not disclosed to the public by insiders and taxes can be deferred for many years because the shares have not technically been sold by the holder.

Apparently, that's not possible south of the border. But, I've seen widespread use of this technique way back in the 70's. It's especially popular by those who receive huge blocks of stock when their company is acquired by a public company. In acquisitions involving a stock swap there's usually the requirement for the shareholders of newly issued shares to hold these for one year. Equity monetization effectively lets them sell their shares at current market prices rather than wait and be exposed to a potential decline. Does your company's board condone this?

When I read recently that **VRX Studios** of Vancouver paid a \$44k fine for software piracy it again pointed out the need for more and better corporate governance practices. The company could have avoided finding itself in this embarrassing position.

I noted an amusing piece in the **Financial Post** this week. Billionaire money manager, **Stephen Jarislowsky**, now 77, quit his board seat in Montreal-based **Velan Inc.**, because its founder, controlling shareholder, chairman, president and CEO was holding too tightly onto the corporate reigns. The 52-year old firm is still dominated by its defiant 84-year old boss. As our boomer population starts to get older, are we going to see more boardroom skirmishes led by ego-nomics rather than economics? They may be oldies, but there not goldies - at least the shareholders aren't seeing the gold. Perhaps

they should take our upcoming course!

## Is Capital in Short Supply?

I'm tired of hearing companies say that there's no capital available. What people are really saying is that "there's no one willing to bet on me on my terms". So, how can we fix that? There are two ways: fix the terms (with a little help from our government friends) and/or fix "me" (i.e. me and my team).

When money flows easily as it did in early 2000, lots of bad investments are made. Tough money (as we had before 1999 and now after 2001) creates tougher businesses.

Tax incentives (e.g. B.C.'s VCC tax credits), low capital gains taxes, etc. all help as does early stage funding - such as **NRC's IRAP**, **BC/ASI's** Product Development Fund and the now defunct Technology BC program (that used to be run by **Science Council of BC** - now abandoned by the **Liberal's** because such support is seen to be a subsidy to companies (which it is). Private equity breaks are good because they reward risk takers and they may create more capital.

Expect some good news soon. **B.C.'s Small Business Venture Capital Act (SBVCA)** is about (touch wood!) to be greatly improved. This is the program whereby investors can get a 30% tax credit by investing in eligible companies by using a special purpose Venture Capital Corp (VCC). There have been many local technology executives that have contributed to this by working closely with the **Ministry of Competition Science and Enterprise** to re-write the Act.

Along with a lot of streamlining as to how VCC's operate, the new SBVC Act amendments propose adoption of a "direct investment model". This means that individual investors no longer need to use a VCC - they can invest relatively small amounts of capital and get the tax credit directly without the bureaucracy. The bad news is that this Act will not be put before the legislature this Fall as anticipated but, rather, will have to wait until Spring. That's too bad, because we badly need private equity capital in BC businesses NOW! (feel free to call **Gordon Campbell** if you care).

In 2000-01, Canadians claimed \$32.7Bn in capital gains income, up from \$19.1Bn a year earlier. Some sour faced labor economists estimate that, due to the lower capital gains rates, this has cost the government almost \$1Bn in lost revenues, 25 times the government's estimate. So what? The increase has more than made up for the "loss"! And, our federal surpluses seem to be coming in much higher than projected.

Maybe the Federal budget surplus would be even higher if we had some up-front incentives to encourage investors. This was one of the themes that came up at an national angel conference that I attended in Toronto this week. This conference resulted in the formation of the **National Angel Organization (NAO)**. Angels, i.e. successful entrepreneurs investing their own money in startups, are more interested in tax reforms that affect individuals rather than corporations or limited partnerships.

Interestingly, I noted that because this conference was in Toronto and attended mainly by Ontarians, there are certain advantages that we, in B.C., have over Ontario - especially if we go with the SBVC Act updates. The VCC

program idea originally came from Ontario which has a similar program in the 80's. **B.C.'s Securities Commission** also strikes me as being more helpful in easing the regulatory burden for companies, rather than increasing it. Indeed, later this month (Nov. 28), there'll be a seminar on the new private capital exemptions in B.C. (I heard that this event, which is free, may already be "sold out").

At the Angel conference, Ontario's **Minister of Enterprise, Opportunity, and Innovation**, (don't you get a charge out of these Ministry's names?), **Jim Flaherty**, commented that Angels invest three times what VC's invest at the early stages of company development. He also noted that per-capita VC investment in Ontario was \$191 versus more than \$400 in California and more than \$1000 in Massachusetts.

Flaherty also felt that entrepreneurial education and support were critical factors. This struck a cord with me. This is what it takes for companies to get funded - know how - at all levels. If you were the brightest and smartest person in the world, you would get funded - no question. But since you're not, you need to learn as much as you can and supplement that with complimentary partners. It's not just intelligence and education - it's the know-how that comes from experience and learning from others who've taken the entrepreneurial trip.

So before you say that there's no money, it might be good to look at why some are getting it and you're not.

### **Tech Bets**

Historically, the markets take a run in the November-April timeframe. Indeed, there have been some signs of life. Stocks seem to be coming off their lows. Even Nortel, has almost *tripled* in price from its low in the 60-cent range. The markets seem to be paying more attention to good news while, uncharacteristically dismissing bad news. Now might be the time to look at some of the local companies that are growing while cash-flowing, and have ample cash in the bank (look at **Intrinsic Software** (TSX:ICS), for example).

**Sony** and **Dell** both reported good news in the form of increased demand for computer hardware. New gadgets, especially the smaller digital variety are in great demand. In Japan, **Michael Dell** introduced his company's smallest desktop PC.

Locally, positive news came from **B.C. Statistics** in its high tech report that reported high tech sector employment in 2001 up by 5.2% over 2000. Not bad when compared to 2.3% in rest of Canada!

**Microsoft Corp** (NASDAQ:MSFT) reported stellar quarterly results of \$2.73Bn on sales of U\$7.75Bn up 26% over the previous year while **IBM Corp** (NYSE:IBM), which put Microsoft on the map in the first place, clocked in U\$1.69Bn net profit on sales of \$19.8Bn (flat for the year) for its recent quarter. MSFT's numbers are a helluva benchmark to shoot for - imagine a 35% AFTER-TAX Net profit margin - Goes to show what a virtual monopoly can do for you! No doubt it's spectacular growth is giving MSFT a P/E of 30vs IBM's 22. growth Even IBM's margin at 8.5% isn't something to thumb your nose at - considering that IBM's not just a software company. Anything over 5% (or anything, period) is great these days.

Not too many BC firms are making a buck - only some in the top 20pubcos.

**MacDonald Dettwiler** (TSX:MDA) is a notable local example to strive for. MDA has had over seventy - not a typo - consecutive quarters of profit! It's diversified tech base consisting of software, space and medical robotics, and communications has shielded it somewhat from the market ups and downs that most others are experiencing.

Local venture capitalist, **GrowthWorks Capital Ltd.**, which manages B.C.'s **Working Opportunity Fund**(WOF) is planning to take over Ontario's **Working Ventures Services Inc.** This will result in this country's third largest labor-sponsored fund with \$750 million in assets (as compared to the \$475 million under WOF). WOF's 5-year ROI is 7.8%. Although that may not impress one, it is double what they're doing in Ontario. These VC's cut themselves a pretty good deal. They charge a whopping 4% in management and admin fees PLUS they take a 20% share of gains on each investment when they liquidate. The fees alone add up to \$30 million off the top. That'll buy a few condos in sunny climes. Goes to show you how the OPM (Other People's Money) game works - it's better to be a VC than an investor!

### **Capital Pool Corporation (CPC) Comments and Update**

In this column, I keep track of **Capital Pool Corporation**("CPC") companies as defined by the TSX Venture Exchange (the former CDNX) because they may provide funding and management to, and in the process acquire, technology companies. They provide companies with an alternative to traditional venture capital financing. It lets the public investor get into the game.

Action in the CPC market has been lackluster. In 2001, there were only 39 CPCs that came to market as compared to over 70 in 2000. Because many CPCs haven't completed their so-called Qualifying Transactions (QTs), they face the threat of being delisted.

Check our [Capital Pool Corporation chart](#) (in .pdf format) for a complete list of the CDNX's CPC and VCP companies, thanks to **David Ing** of **Pacific International Securities**. This list is updated on a regular, e.g. monthly basis. It is now current to the end of October, 2002. (previous update was September, 2002).

As of the end of September, there have been 35 new CPCs listed year-to-date while 61 Qualifying Transactions have been completed. The total number of listed virgin CPCs that haven't yet announced a QT is 83.

An introductory article explaining CPCs may be found at <http://www.bctechnology.com/statics/mvolker-jun0200.html>.

### **Local Events**

On Dec 3rd, there'll be a one-day course at SFU's TIME Centre titled: **Better Boards Build Better Companies** - The Nuts & Bolts of Building and Operating Your High Tech Board. This will give company entrepreneurs, investors, and board members lots of take-away information and know-how on how to run their companies better - starting with the role and mandate of the board. How do you find good directors? How do you compensate them? How does a director avoid liability (surprise: Insurance isn't enough!)? You can bet that this won't be just another one of those presentations with lots motherhood statements. Attendance is limited to 60 people and the cost is only \$195 per person, including lunch. The format will involve lots of interaction with participants. For more information, please contact [time@sfu.ca](mailto:time@sfu.ca) or call

(604)268-7970.

You are invited to the **12th Angel Forum** ([www.angelforum.org](http://www.angelforum.org)) on Tuesday, Nov 26 in Vancouver where pre-screened emerging companies seeking equity funding of \$100,000 to \$1 million, deliver "live" presentations to pre-screened investors. Companies showcase products & services during networking breaks & closing wine reception. Already over 30 Angel investors have registered. Their preferences are for tech and non-tech companies at the development stage of "close to sales" or with "some sales" with some demand for "in-development" stage. All investors are pre-screened to ensure they are serious. This event is distinct and separate from the regular monthly angel network meetings that take place in Vancouver. Details on these can be found on the Vancouver Enterprise Forum's [website](#).

The next **Vancouver Enterprise Forum** event will take place on November 24th as well. So, you can make a full day of it. Check the VEF website at [www.vef.org](http://www.vef.org) for more details!

October's Vancouver Enterprise Forum's topic was "The Great Disappearing Act: The Hollowing Out of the BC Tech Sector". This event addressed the impact of local tech company takeovers. Being acquired is a great objective, but what really happens after the honeymoon? What happens to these companies and their founders? Is a takeover good or bad for B.C.?

The presenters included well-known local entrepreneurs and executives **Glen Brownlee, Motorola Wireless Division; Adam Lorant, Octigabay;** (formerly Abatis Systems which was sold in 2000 to Rednacks Networks in \$1B+ stock deal); **Ross Mitchell, Broadcom Canada Inc.** (who sold his company, HotHaus to Broadcom for almost a half billion in 1999); and **Jim Brander, UBC**, Asia Pacific Professor of International Business in the Strategy and Business Economics Division of the Faculty of Commerce at the University of British Columbia (UBC).

It was noted by **Sam Znaimer**, who moderated the session, that buyouts numbered only 17 in first half of 2002 versus 35 in first half of 2001. This is likely because of the decline in the value of the take-over currency, i.e. the shares that are typically swapped in order to effect a merger.

As you can imagine, all presenters were big fans of takeovers. They concluded that the net effect of takeovers, other than on their own bank accounts, was neutral to positive. One audience member asked what happened to the B.C. dream of building big, independent, world-class companies that would become acquirors rather acquisitees. While such mergers may be seen as some by a selling out, it does help to develop a local skills base, especially in the area of middle management which are so crucial to transforming small companies into large ones - a good example being Burnaby's **Creo Inc.**

On Thursday, November 7, 2002, the **Canadian Foundation for Investor Education** (CFIE), in association with the **Faculty of Commerce and Business Administration** at the **University of British Columbia** will host "Risk Capital in Canada: Breaking Down Barriers, Increasing Access," at the Hyatt Regency Hotel in downtown Vancouver. This one-day symposium will draw on the experiences and expertise of industry participants, academics, and government representatives from Canada, the United States, and Europe. These speakers will help to define and address some of the key challenges Canada faces in becoming a world-leading incubator country for emerging companies. For more information, send a note to [symposium@tsx.ca](mailto:symposium@tsx.ca)

A complete calendar of technology events can be found on [T-Net's Events page](#). Without getting too tacky, there's a new group in town called **TACI** (Technology Associations Collaborative Initiative) which also has a tech calendar - check [www.techvenue.com/calendars/taci](http://www.techvenue.com/calendars/taci).

## Footnotes

If you're an entrepreneur looking for a place to get your company started; there's some great space available at Harbour Centre downtown. The **New Media Innovation Centre** (NewMIC) and **SFU's TIME Centre** have teamed up to provide not only office space but also access to various resources, e.g. tech advisors, access to capital, mentors, etc. Worried about the high cost of being downtown? Well, not to worry - they'll even reduce the fees and take some payment in the form of equity. Check [www.sfu.ca/time](http://www.sfu.ca/time) for contact info.

A reminder: SFU's TIME Centre is open for business - business folks, that is. TIME is an acronym for **Technology, Innovation, Management, and Entrepreneurship**. TIME supports the growth and development of the tech industry in B.C. TIME features a "Business Centre" (looks like an airport business lounge) which is open to technology entrepreneurs and business people to use as a drop-in downtown office facility. Need to plug-in? Make some calls? Do some work? Hold a meeting? There are some great facilities for holding your company's AGM. Why hang out at MacDonald's when you can work productively at the TIME Centre? Drop by and check it out! It is located at SFU's downtown campus at 515 West Hastings St.

---

*Michael Volker, a technology entrepreneur, is Director of the University/Industry [Liaison Office](#) at Simon Fraser University, Chair of the B.C. Advanced Systems Institute, Chair of the [Vancouver Angel Network](#) and past Chair of the [Vancouver Enterprise Forum](#). He owns shares in many of the companies he writes about. Copyright, 2002.*

## [What Do You Think? Talk Back To Mike Volker](#)

---

**Tech Futures** is a bi-weekly column that focuses attention on new and emerging BC publicly listed technology companies.

[Printable Edition](#)

Contact: [risktaker@volker.org](mailto:risktaker@volker.org)

[Tech Futures Archive](#)

[B.C. High Tech Links](#)

---