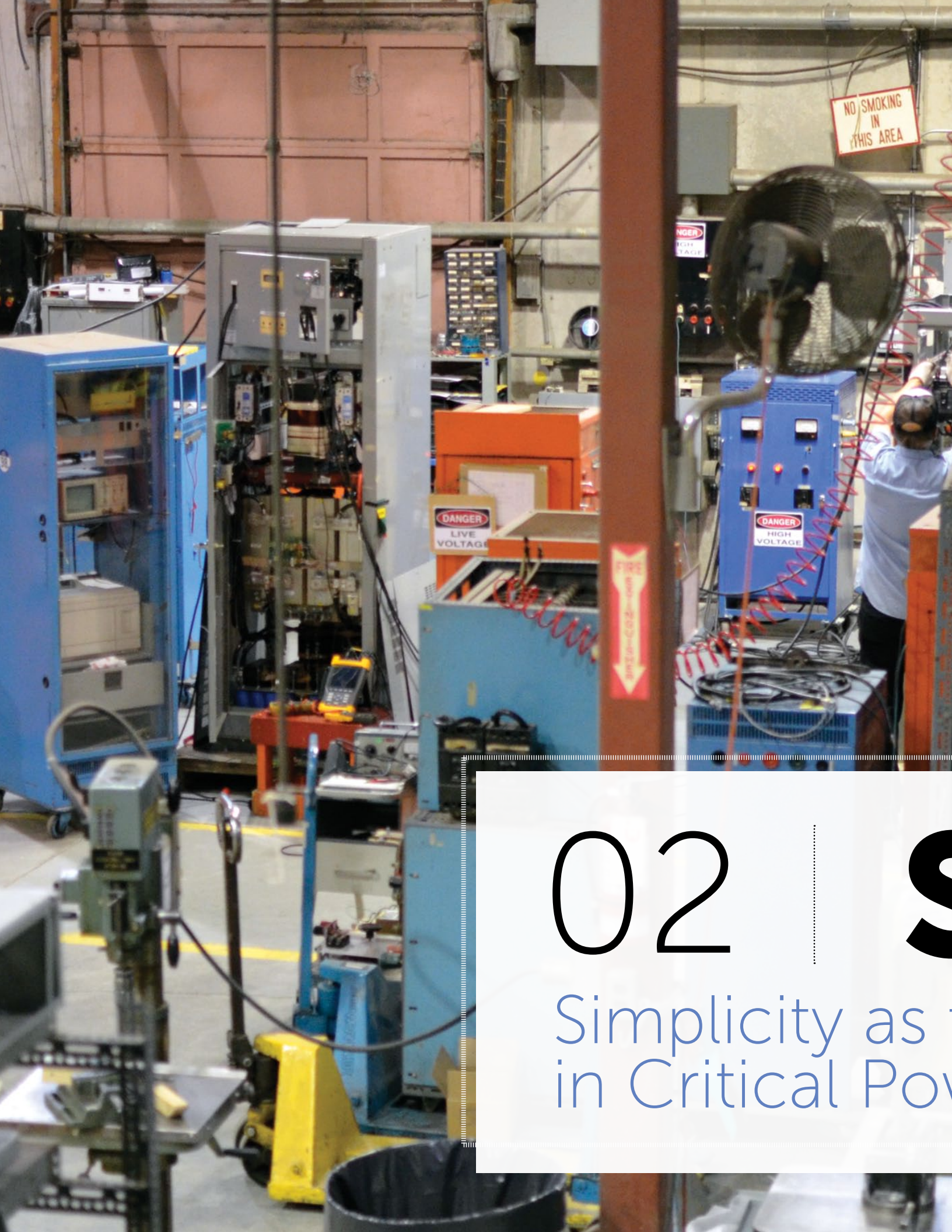


STATICON



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Simplicity as
in Critical Pow

A photograph of a manufacturing facility. In the foreground, there are large, dark grey metal cabinets or racks. One cabinet has a red warning label that says "DANGER HIGH VOLTAGE". To the left, there's a rack with orange components. In the background, a man wearing glasses and a green shirt is working at a desk. The background wall is covered with various electrical components, wires, and a pegboard with tools. The overall scene is industrial and technical.

MANUFACTURING

STATICON

the Ultimate Sophistication
Power Systems

Incorporated in 1964, Staticon Ltd. builds utility grade critical power systems. These systems condition, convert and store electrical energy for the end user, ensuring load power reliability ("load power" is the minimum amount of power required to meet the minimum demands of the customer), and securing continuous operation of critical infrastructures. Staticon has established its place as a quality Canadian manufacturer of built-to-order DC and AC power supply equipment and industrial battery chargers, and providing power solutions for essential backup, auxiliary and battery charging requirements for nearly 50 years. Their 50th anniversary is in 2014.

WHILE THE 88-YEAR-OLD founder, Alfred Hase, still participates in the design of the company products, his son Roland is in charge of sales and marketing. "My father is an electrical designer by heart, and this is what he loves to do. He is a classic Canadian immigrant success story, coming to Canada after the war and succeeding," says Hase.

Staticon products come into play anywhere, where there is an imminent need to eliminate the potential for operations shut-down during power outages. Staticon's critical power systems supply continuous power to

critical segments of the industrial operators.

"Our equipment is needed in any industrial facility that has critical power requirements to back up process controls, industrial computers, switch gear in sub- and generating stations that require continuous power. Most of our equipment goes hand in hand with batteries, so when there is a power failure the battery takes over the power supply uninterrupted," explains Hase.

"'Uninterrupted' is the key word. For example diesel generators can come on, but there is a break in power supply. This may be just 10 or 15 seconds, but we supply the market that requires instantaneous, no-break power. If there is a break in the controls for let's say chemical refinery, the whole refinery shuts down, perhaps losing \$250,000 an hour, while it may take two days to ramp up the facility back to operation," informed Hase.

Staticon's market base includes power utilities, telecom networks, transportation companies, resource industries, manufacturers, and municipal works. The company product applications include power generating stations, transmission substations, distribution centers, telecom centers, computer installations, and control facilities.

"We only do industrial work, nothing commercial or retail. Our biggest market is the power utility industry, and we provide solutions for utilities' generating stations, substations, transformer stations, etc. We also supply oil and gas industry, and mines. The demand in the transportation sector is steadily increasing, and it seems that

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there could be a very significant market for us, especially in the GTA, with GO Transit and TTC expansions," says Hase.

Critical station power systems comprise of a range of equipment from simple power conditioners that mitigate the effects of poor power quality, to uninterruptible power supplies (UPS) complete with energy storage batteries to bridge outages. Critical station power systems consist of equipment modules and may include generators, storage batteries, rectifiers (AC-DC), DC-DC converters, inverters (DC-AC), AC conditioners, transfer switches and surge protectors.

Staticon's 30,000 square foot facility employs 30 employees, and over the span of 49 years the

company deployed more than 75,000 power modules and systems worldwide.

Canada continues to represent 80 per cent of the company market, and with the expanding market for infrastructure, automation and telecommunications, Hase sees Staticon taking on additional share of this growing market going forward.

Staticon's strength lies in its existing technologies, its ongoing research and development, and the turn-key solutions' suite. Technology companies saw customers drifting towards seeking turnkey solutions and customizations to their needs, relying on companies such as Staticon to deliver expertise and the right built-to-order equipment for their applications.



"Since I have been with the company, it has been my push for Staticon to be a value-added solutions provider. Companies used to have their own power groups to design what the company wanted, but today most companies have outsourced this expertise, and instead of having 10 different suppliers they prefer to deal with a single supplier who does all the work for them, saving them money while we develop our expertise, and we can then provide this expertise to other clients," elucidates Hase.

Design Approach


To address the Canadian geography and climate, the company products are highly field serviceable, because the majority of Staticon's clients are located in remote areas such as mountains, the Arctic, oil sands, all subject to challenging conditions. "We work against the 'wear-and-tear' approach that comes from using the imports."

Staticon's design philosophy is minimalistic yet intuitive, creating highly dependable, and mechanically and electrically robust equipment. It's notorious that simple designs are hard to achieve, but Staticon remains true to this philosophy and it is what drives its success. "Leonardo da Vinci said that 'Simplicity is the ultimate in sophistication,' and that has always been my motto," says Hase.

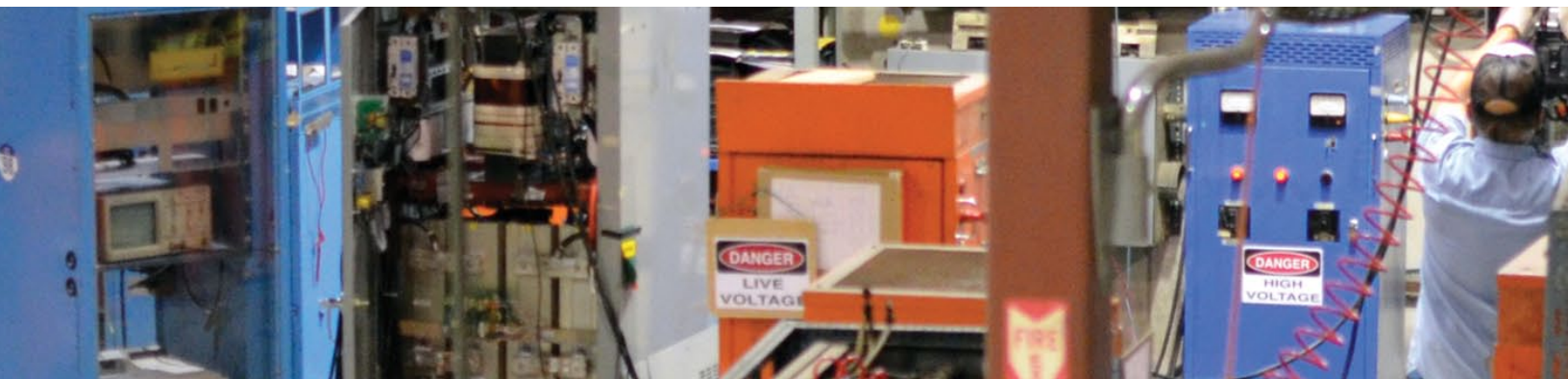
It is the entrepreneurial approach that turns Staticon into a competitive, value-added provider. The company offers a variety of product that may be broader than that of the

competition, and the Staticon team has the expertise to build-to-order each unit according to the client's specifications.

As most did, the industry saw influx of off-shore equipment boxes, but the common shortcoming of purchasing such equipment has always been the fact that there is no service or expertise coming with the product, making it a wear-and-tear solution. "Besides our expertise, another added value for our customers is the fact that we offer service on our products, and we guarantee service and parts for 20 year of the life of the equipment, and we design our products for 30-year life," says Hase.

While Staticon operates in a very conservative industry, the transportation sector has been providing new opportunities for a market share growth. "The GTA transit systems expansions – whether its TTC, GO Transit or Metrolinx – are expanding in a big way, and we have a good presence in this market already. Another market that is still a bit unconventional for us is the alternative energy in Ontario, where we make units for the switch gear that interfaces the grid. We have done several projects in Ontario, and we have several outstanding bids. While we plan to continue focusing on our value added service approach and remain faithful to creating simple and dependable products, we expect to take on share of these markets," concluded Hase. **CBJ** 

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**GEORGE MEDIA
NETWORK**

AS SEEN IN THE JANUARY 2014 ISSUE OF THE CANADIAN BUSINESS JOURNAL

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