

We need to push harder:' Diversity is Annette Verschuren's prescription for economic growth

Verschuren, CEO of NRStor, and former president of Home Depot Canada, says economic policy must remain “grounded” in a “fiscal framework,” and that there should be a focus on emerging markets



During last autumn’s tax freak-out over entrepreneurs’ inalienable right to sprinkle income among family members, we heard a lot from a certain type of chief executive, the one who is “too busy” running her or his company to get involved in public policy.

Annette Verschuren isn’t one of those business leaders.

She’s been *busy* most of her professional life, notably as head of Home Depot Inc.’s Canadian unit from 1996 to 2011. And yet she also has found time to advise former prime minister Brian Mulroney, former finance minister Jim Flaherty, and now, in a roundabout way, both Prime Minister Justin Trudeau and U.S. President Donald Trump as a member of the Canada-United States Council for the Advancement of Women Entrepreneurs and Business Leaders.

There is a perception out there that good executives spend their time making money and pretenders busy themselves with politicians. Verschuren complicates that theory. Home Depot opened 160 stores in Canada during her tenure, so she was doing more than swanning around the Chateau Laurier in those years. She also launched Home Depot's operations in China, which gives her some street cred that few Canadian executives can match, given Corporate Canada's relative absence in Asia.

Verschuren's retirement in 2011 lasted a year.

She took an around-the-world tour with her husband, during which she decided to create a startup. Verschuren, who started in the coal business in her native Cape Breton in the 1970s, now leads NRSTOR Inc., a Toronto-based firm that works with companies on ways to stockpile energy. She got the idea while spending time in places such as Indonesia and Vietnam, where shortages of food, power and water are constant drags on development. The world knows how to store food and water, but energy remains a challenge. Verschuren saw a business opportunity: the global shift to a lower carbon economy should generate more interest in stockpiling energy.

"We need to use everything more efficiently," she said.

Here's how I ended up on the phone with Verschuren. She is co-chair of the Smart Prosperity Leaders' Initiative, a collection of greenish executives and thought leaders that includes Arlene Dickinson, chief executive of Venture Communications and one of the dragons on *Dragon's Den*, and Galen Weston, president of Loblaw's Companies Ltd.

The group released a report last week that calls on governments to get serious about clean technology, a corner of the new economy where Canada might have a chance to win some global market share because it happens to have a critical mass of good companies. Verschuren was one of the members of Smart Prosperity who was offered to journalists to talk about the report. Our schedules aligned.

We talked about what it will take to win at clean tech, but we also talked about economic policy more broadly. Verschuren is worried the current set of politicians are followers rather than leaders. She mentioned Cape Breton's coal mines and her despair at all the money spent to preserve an industry of the past, rather than build something for the future. "I don't know if the politicians are where the citizens are," she said.

We didn't get into examples, but let me offer a non-partisan sampling of recent political initiatives that conjure some unhappy memories. The federal government recently announced that the competition for its \$950-million "supercluster" initiative neatly produced winners in each of Canada's regions. Andrew Scheer, the Opposition leader, was in London this month talking about a free-trade agreement with the United Kingdom and criticizing the Trudeau government's decision to despatch more trade officers to China. And New Democratic Party Leader Jagmeet Singh appears to have little interest in keeping a ring around federal spending.

Verschuren said economic policy must remain “grounded” in a “fiscal framework,” and that the country should be focused on emerging markets. She said she likes the idea of using public money to jumpstart new industries, but wonders if Economic Development Minister Navdeep Bains diluted the potential impact of the supercluster program by trying to pick too many winners.

“Maybe there are one or two too many,” Verschuren said. “Generally speaking, Canada has a history of spreading its money too thinly.”

To be sure, that’s the observation of an executive who thinks her nascent industry could be a winner if only the government would pick it.

Smart Prosperity’s agenda would require some public money, mostly grants and tax breaks that encourage research. But more interesting are a set of proposals that could help new clean tech firms get traction by creating demand for their goods and services. The report proposes using procurement and regulation to create markets; the federal government would ensure that a portion of its spending on green power ended up with local startups, for example, or it could create conservation standards that would increase the value of the services offered by firms such as Verschuren’s company.

The usual suspects will dislike these ideas for the usual reasons. But even if you doubt governments can pick winners, Verschuren wonders why anyone would be troubled by taking out some insurance in case an industry like clean tech takes off.

Present worries about lacklustre foreign-direct investment support her point. She agrees that international investment in Canada is weaker because of concern about the North American Free Trade Agreement. But another problem is that Canada doesn’t have much to offer outside of oil and natural gas.

“We have been too narrow,” Verschuren said. “We need to push harder to diversity.”

Source: Financial Post <http://business.financialpost.com/news/economy/we-need-to-push-harder-diversity-is-annette-verschurens-prescription-for-economic-growth>