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RUCTION STANDARDS

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AquaTerra



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AquaTerra CEO Tom Schmitt talks expansion and what makes the company Canada's choice for office nourishment



AquaTerra AquaTerra Branches Out

ississauga, Ontario headquartered AquaTerra, which started as the Laurentian Spring

Water Company in Quebec more than 130 years ago, has been a premiere source of bottled spring water throughout Canada. Three years ago, its executive team stepped back and asked whether they could give their customers something more.

"We have great access to offices, homes and retail stores, and we have a high quality product that we deliver to them on a regular basis – we should be able to do more for them," says Tom Schmitt. "That's where we said: let's be a Canadian company that nourishes Canadian consumers at work and at home."

From this simple idea sprung AquaTerra, a core business built around the idea of providing top quality nourishment above and beyond water alone. From the company's own brands of water to snacks, coffee and tea and breakroom supplies from highprofile partnerships, AquaTerra offers everything needed to keep office populations satisfied and Schmitt aims to raise AquaTerra up to be the best Canada has to offer.

Close Attention to Expansion and Growth

Schmitt noted that by today, AquaTerra has grown into a bustling business with close to 600 in staff, 65 distribution points, and a fleet of 230 trucks to deliver nourishment to offices across Canada every day.

"The good news is that pretty much all of the major providers -Starbucks is a good example, but not the only one - like working with us. They are huge global companies, whether it's Starbucks or Coca-Cola or Kraft, but they don't do what we do - which is selling directly to offices. So they appreciate being part of our portfolio of our nourishment baskets for offices." Establishing these deep relationships has allowed AquaTerra the ability to offer great benefits directly to commercial offices, including innovative features like the Storm - a bottom loading water cooler from Crystal Mountain Coolers, flexible coffee solutions from Starbucks Canada including their new True North coffee blend and I-Cup machines, and top of line bean-to-cup coffee machines from Caféction.

Building business together with partners like Starbucks allows for the success AquaTerra has had in the coffee segment, while Crystal Mountain allows for continued focus with water customers. It is a mutually beneficial partnership as it offers these companies access to customers through AquaTerra's distribution network.

Such growth, and particularly with such large names riding on its success, has demanded a careful eye toward distribution trends to maximize AquaTerra's efficiency and resources – but as former CEO at FedEx Supply Chain, Schmitt has the experience and expertise to deftly handle the task.

"The way we look at supply chain is that it's making our product, holding our product, and moving our product – so it's our plans, our distribution points, and then the transportation in between branches but also to customers," he explains. "On an ongoing basis, if we grow in a certain part of the country and shrink in another part, we constantly have to look at what that means for the location of our plants, what it means for transportation in between plants and distribution centers - do we need to expand? So we are consistently looking. For example, we did consolidate a number of routes in one part of the country. while we added routes in another part just recently. This happens



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Supplier Profile

TGP – Transport Gilles Perreault

Employees: 50

Established: 1998

Industry: Dedicated Transportation

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Website: www.transportperreault.com

Supplier Profile

THD Inc.

Employees: 30

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Industry: Temperature Controlled Transportation

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Management:

Luc P. Cartier, Presidente www.thd.ca

all the time." The constantly changing distribution network requires for efficient planning and communication with our external partners such as Transport Gilles Perreault, in Quebec, whose dedicated service allow for smooth transitions.

The AquaTerra Difference

"We believe that the content of the bottles is the best water in Canada," says Schmitt – but that is not the only way that AquaTerra strives to separate itself from the competition. "Equally important for our customer is that our bottles never end up in a landfill. Our largest bottles, the 18L format – that's a bottle that goes back and forth more than 50 times. Even then, it gets recycled and doesn't end up in the landfill. Most of large bottle formats make one trip from a retail store to a person's home, then once the bottle is empty it goes into a landfill. Many municipalities don't have the equipment to recycle something that's so big and bulky, so it just ends up rotting in a landfill. So from a retail perspective, what differentiates us is the quality of the product but it's also the way we deliver product in terms of the bottle."

AquaTerra also differentiates itself with the sheer scope of service

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Supplier Profile

CAFECTION ENTERPRISES INC.

Cafection is a leading North American manufacturer of ground and whole bean single cup coffee brewers. It designs and builds the most technologically advanced coffee brewing equipment for top tier companies as well as the world's top coffee roasters. Cafection's product lines, the Avalon Series and the Innovation Series, are dedicated to global sustainability and include the world's first interactive and Internet connected brewers; the Total 1 and Total Lite.

Website: www.cafection.com

it is equipped to provide. "Think about a national law or accounting firm with offices all the way from Vancouver to Calgary to Winnipeg, Toronto, Montreal, Dartmouth," says Schmitt. "A local business, 'Joe's Coffee' let's say, cannot sell to that firm effectively, but we can. We go to the office manager in the head office and say: you should be focusing on providing legal advice, and we'll provide nourishment across your office network. That national coverage is a big deal. Also, in different offices if Joe's sick today or his truck is down

they'll be out of water, coffee, and snacks that day. We do have on the one hand a national network. but we also have local coverage that's fairly comprehensive. If one of our drivers is out that day, there's a backup to make sure someone covers that route." As part of their commitment to full service national coverage, and their Quebec heritage, AquaTerra also partners with several translation companies, one being Transletters, based in Toronto, in order to ensure that all communication, product, and customer service is fully bilingual.

Pursuing Profit Through People and Service

"We do have three company values which we reinforce: people, service, and profit," says Schmitt, explaining the simple nature behind AquaTerra's company culture. "Whenever we make financial decisions, product decisions, safety decisions, there's always a simple test: what's the right thing to do by our own people? When we do that, when we truly put our own people first, the idea is when your employees feel that you actually truly care that they're safe and successful, that you stretch them and find five different ways to make

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them successful, then in turn they go above and beyond to provide exceptional services to their own customers. Then profit is almost like a logical consequence of great people providing exceptional service. But you don't start with profit. It's resultant of the first two components."

That commitment to company culture has not gone unnoticed: this year AquaTerra was officially recognized as a part of the Deloitte Canada's Best Managed Companies awards.

"It's not about a statue on a mantle or a plaque on the wall,"

says Schmitt. "It's recognition of the culture that you create, of a peoplefirst and high-performance oriented culture. High-performing people would like to go to high-performing places because they know they are going to be stretched, so we are grateful for the fact that we've got this award that makes it a little bit easier for us to tell people that we are about people first and about high performance. If that appeals to you, then we're a good home for you. It is sending a signal about the type of people that will be successful here."

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What the Future Holds

Even as AquaTerra continues on its path of growth, Schmitt is looking for new ways to lead the business to further success in the future. As he explains, that success may lie in going back to basics.

"If you go to a restaurant, there's a good chance they will serve you bottled water, and there's this carousel of countries around the globe where you get the water from," says Schmitt. "So we're sitting here in Montreal and Vancouver, going to restaurants and hotels, and we're in the same situation getting bottles from all over the place. That tells me that perhaps we should reintroduce the best water in Canada in glass bottles so that hotels and restaurants don't have to order all the way from Italy or France – there's no reason these should be traveling across the oceans when we have this quality of water right here at home.

While Schmitt is looking for ways to keep bottled water local, he is also looking for ways to spread the word overseas and is bottling accordingly for export. "We like the quality of our water and we like our odds: if somebody from Europe

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can find a way to sell their water a continent away then we can too," he notes. "We just signed up our first Chinese customer for export, and we're not done yet – so there's more to come after that."

But one region will always be at

the heart of everything AquaTerra does. "Clearly our number one job is that, when we talk about Canadians nourishing Canadians at work and home, we want to be the best in Canada," says Schmitt. "Whether you run a small business



in Newfoundland or whether you run a large company in Montreal or Vancouver, when you think about nourishment in the workplace we want these companies to think about us first. That is job number one." www.**businessreviewcanada**.ca

STATISTICS



INDUSTRY: Bottled Water Break Room Supplies Coffee & Tea Services

Founded: 1882

Headquarters: Mississauga, Ontario

Revenue: \$000

Employees: 592

WEBSITE: www.AquaTerraCorp.ca



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