

Corner Office: AT THE TOP: NANCY KNOWLTON

Former basketball star sticks to the team approach

GORDON PITTS
OCTOBER 29, 2007

From any angle, Nancy Knowlton is a rare commodity. A former university basketball star and MBA, she is CEO of a technology company based in Calgary - Smart Technologies, a maker of interactive whiteboards. The business is the product of a 22-year collaboration with her computer-innovator husband, David Martin, who is chairman. And she is the rare manufacturer who is actually boosting her Canadian presence. Last week, Smart opened a new assembly plant in Kanata, Ont., which consolidates and expands operations in the Ottawa area.

How did you end up in

Calgary?

Dave and I had moved out here independently. We both grew up in Quebec. We met through a girlfriend. We started talking about getting married three days after we met. Five days after, we looked for engagement rings and in 16 days, Dave produced the ring, popped the question and closed the deal. It's been 22 years - it's not a flash in the pan.

Print Edition - Section Front



[Enlarge Image](#)

More Report on Business Stories

- 1 Wall Street feels Merrill's pain

- | European plane probe rattles investors
- | CAW rift deepens over Magna pact
- | Alberta talks up new rules on U.S. trip
- | Panel to weigh greater foreign stakes
- | Go to the Report on Business section



How has your relationship

survived business pressures?

We've learned our own boundaries and there is very little value in duplicating what the other person does. Still, we do appreciate what the other person does.

We decided very early on that I was going to be all about today and Dave was going to be about tomorrow. That speaks to business operations, product development and new ideas. We also decided that the business was not more important than our relationship and we were not going to get 25 years down the line and realize we didn't like each other.

Another powerful influence came from Intel Corp. [which owns 25 per cent of Smart], as it was preparing to invest. They were pretty explicit that this husband-and-wife thing could not get in the way of the company's opportunity or its people. We have never viewed this as a family business.

How do you separate business from family life?

In the early days there was no line drawn whatsoever. From the outset, we were struggling to make everything work and the business was 100 per cent of our existence. Today I still wake up at 4 or 5 o'clock and I'm working, but we don't talk a lot about business at home. We don't want to exclude other members of our executive team or give the appearance a decision is being made outside the office. You can't do that.

How does it work to have a head office in Calgary but an assembly plant in Ottawa?

It is challenging to work at a distance but the plant works best being in the Ottawa area because it is on the doorstep of the world's largest market. You're a two-day truck ride away from 60 per cent of the U.S. market and you don't give that up easily. From Calgary, you look south and there is 60 per cent of the U.S. population of deer and elk.

Why have you stayed private?

Back in 1999-2000, we were getting to such a scale that going public was a viable option. In early 2000, we worked on creating an offering document. About 10 days before delivering that to the securities commission, our investment bankers called to say the market had closed.

Those were pretty harsh words because we desperately needed the money. So we put our heads down and got through that period - and we were able to make all the money we wanted from the IPO through retained earnings.

Since 2000, we're about seven times larger [with over \$400-million in annual sales]. At some point in the future, Smart may be a public company but the fact that we are private gives us a degree of flexibility.

Can you still manufacture in Canada, instead of moving to low-cost countries?

The product quality from our Kanata operation is absolutely first-rate. The people are committed to producing a product that just stays in service for a long period. If you've got poor quality, that is an absolute killer and we don't suffer from any of that.

We can also control some of the ups and downs in our demand cycles because this is our own facility and it's close to the market. And we can source things literally around the world.

Could we save money by sending this operation to China? We probably could but our assessment is that there are certain advantages we gain from local assembly.

There are some intangibles. If everyone ships their assembly outside the country, where do some of those folks integral to this economy end up working?

With the dollar around parity, you must be getting hammered.

Yes, we are, but there are some natural hedges. We do source a number of our expensive components from the U.S. in U.S. dollars.

Is it hard to recruit people in Calgary, where you have head office, product development and other services?

It's very challenging to find the volume of staff we require and to retain some of those folks because the oil patch is desperate and demanding, and they've got endless money. It's a time when the price of their commodity is going up and the price of our product is going down.

How do you compete for people in that market?

We have to compete but any strategy in a company is not one-dimensional. We have growth plans for our non-assembly staff in Kanata. We have a fair-sized product development team there and we will be expanding that. We will also be placing more people in the U.S. and in EMEA [Europe, Middle East and Africa]. We will be transitioning from a primarily Canadian-based company to one with a global reach and focus.

What is your personal future?

I feel I can travel internationally with no impact on how I feel, on my energy level, or my desire to stay in this competitive environment. So I don't want to get off this treadmill any time soon. I am 54 and my husband is 58 and we still work 70 to 90 hours a week. I like being agitated, I like being paranoid, I like being worried about what's happening.

**Does this attitude come
from your past life on
the basketball court?**

Oh, yes. I was the kind of athlete in university who was at the gym on Friday and Saturday nights because I had to make 200 free throws. I'd work out until 10 or 11 o'clock, I'd shower, and then I'd go out. I never drank, I would be focused on things, and then people say 'Everything comes easy to you.'

I led Canada in scoring a couple of years in university and had highest free-throw percentage but that was all work and I've maintained that work ethic. I believe good things happen to people who work hard.

**Your words to other
manufacturers?**

Figure it out, make it work, get creative. A lot of my views come from prior experiences. I worked my way through university on the assembly line at the Clairol plant at Knowlton, Que., where I grew up. I came away with a sense of responsibility that as a manager and owner, there were certain things I just had to do well and I had to take care of people.

gpitts@globeandmail.com

Nancy Knowlton

Title: Chief executive officer, Smart Technologies ULC, Calgary

Born: Knowlton, Que., 54 years old.

Education:

Bachelor of Business Administrations, Bishop's University, 1975

MBA, St. Mary's University, 1978

Played on Canada's national woman's basketball team

Chartered accountant accreditation, Alberta, 1982.

Career highlights:

After university, joined Touche Ross & Co. in Calgary. Final CA position: Senior audit manager.

1987: With husband David Martin, founded Smart Technologies.

1993: Intel Corp. bought large minority stake in the company.

Company evolved into more broadly based producer of collaborative communications technology, while still rooted in interactive whiteboards.

July, 2007: Private equity group Apax Partners of Britain takes a large minority stake in Smart

© Copyright 2007 CTVglobemedia Publishing Inc. All Rights Reserved.



globeandmail.com and The Globe and Mail are divisions of CTVglobemedia Publishing Inc., 444 Front St. W., Toronto, ON Canada M5V 2S9
Phillip Crawley, Publisher