

**In-House Solutions -  
The MasterCAM Solution**

**E**d House, president of In-House Solutions, entered the CAD/CAM business in 1984 when



The In-House Solutions Team is your solution

CAD/CAM technology was in its infancy. Ed's interest in the concept of CAD/CAM and his desire to provide the machining industry with software that would make them more productive resulted in the birth of his own company, In-House Solutions.

In-House Solutions, a value-added reseller (VAR) of CAD and CAM software, began operations in June 1988 and has grown to a staff of over 20 people with branch offices in Cambridge, Mississauga, and Windsor.

What makes In-House Solutions one of the biggest players in the medium-sized CAD/CAM market, though, is not its role as a reseller, but its ability to customize the

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software to their clients' particular needs. As a value-added reseller, In-House Solutions doesn't just buy CAD and CAM software and resell it. They take an out-of-the-box software package and add special features that are missing in these packages, but is needed by the client. For

example, they developed a C-hook called EPS Milldrill that runs with MasterCAM to give the CAM software an extra feature. These add-on features are integrated seamlessly with the software, so that the only difference that is noted is a more efficient and company-tailored product that they then sell to their clients. In fact, In-House sells these modified packages to companies worldwide. However, although they customize approximately 70% of their clients' software packages, this is not their main focus. In-House Solutions' strength and the bulk of their business is derived from the support and extensive training they offer their clients. The training and support aspect of their business is so important that they actually have more technical support staff than sales staff! As Ed says, we don't "sell and run."

What does the next five years have in store for In-House Solutions? Ed sees his company becoming even larger and more dominant in the mid-range CAD/CAM market than it is now. His goal is to make the companies he works with more efficient and productive. He stresses that In-House Solutions doesn't just sell software, it sells automation. Ed cautions us, though, to understand that the software is only half the solution; the other half is the user. To this end, Ed's team is committed to educating the users: "The more knowledgeable they are, the better our product serves the company."

And In-House Solutions is only half the story behind Ed House. The other half is the family man. Ed is married to Claire, mother of their 3 kids: (Alison 12, Jonathon 10, and Robert 9). Also sharing their home is a dog; a cat, and a bird. When not growing his business, Ed likes to read (though he only has time for some quick reading - good news for Lordy's newsletter!), and browse the stock markets (hmmm ... that sounds relaxing). And, of course, he enjoys time away with his family. This summer's activities will include tubing and water-skiing on their new boat. Do you have room for one more in your family, Ed?

*By: Pam Lucier  
Final Draft Publications*

**Fact File**

VAR stands for value added reseller - these businesses will buy the product (software, in our case), add special features to it (by writing and modifying computer programs), and will sell this enhanced package to their clients.

CAD stands for computer aided design.

CAM stands for computer aided manufacturing.

CAD software replaces a drafting board - "mechanical" CAD is used to design products for fabrication companies the and woodworking industry.

CAM is used in CNC machine shops.

In-House Solutions is the exclusive dealer for MasterCAM in Canada.

In-House Solutions sells one CAD (Solid Edge) and one CAM product (MasterCAM).

In-House Solutions also does do some translating of French language software into English.

## WSIB Set To Enforce Return To Work Obligations

By: John Austin

On February 10, 2000, the WSIB released a consultation document on enforcement and penalties for non-cooperation in Return to Work (RTW). Baring concerns raised by the employer community, the actual policies come into force on June 1, 2000.

Bill 99's overhaul of the workers' compensation system imposed an obligation on the accident employer and the injured worker to cooperate in the worker's early and safe return to work. Cooperation requires the worker and employer to contact each other as soon as possible after the accident, maintain communication during the recovery period while the worker is off work, identify suitable and safe work within the worker's functional abilities, and provide information to the Workplace Safety and Insurance Board (WSIB). Although the Act gives the WSIB the power to penalize employers and workers that breach their return to work (RTW) obligations, the WSIB, except in some local pilot programs, has not enforced these obligations. That is about to change.

The proposed penalties can amount to very significant amounts of money. In the first seven days

### A finding of non-cooperation by an employer is a trigger for WSIB to initiate the LMR process

of breach, an employer will be fined 50 per cent of the loss of earning (LOE) benefits being paid to the worker during the period of breach. An employer's breach going into the eighth day results in a penalty of 100 per cent of the worker's LOE, plus the cost of the worker's labour market re-entry (LMR) assessment and plan. A finding of non-cooperation by an employer is a trigger for the WSIB to initiate the LMR process.

#### Highlights of the proposed non-cooperation policies of WSIB

- The RTW penalty for employers is in addition to any re-employment penalties
- The penalty can be imposed by oral notice from the Board
- The employer has seven business days from the first notice to cooperate
- Subsequent cooperation does not retroactively

relieve the employer of penalties

- Participating in WSIB mediation suspends the penalty period
- The worker's penalty is 50 per cent reduction in LOE benefits during the initial seven days of breach. Thereafter, the worker receives the difference between pre-injury wages and the deemed wage the worker would have earned from suitable and available employment in the workplace.

The penalties for non-cooperation are in addition to any penalties imposed by the WSIB for breach of the worker's reemployment rights. Of course, the benefits paid to, or on account of, the worker continue to form part of experience rating.

The policies provide that both the worker and employer are expected to cooperate, even though the WSIB has not made a decision on the claim. If a finding of non-cooperation is made on a pending claim, the WSIB will notify the employer or worker that a retroactive penalty will be levied if the claim is approved. All findings of non-cooperation can be appealed within 30 days of the decision. The policies provide that the WSIB may, in certain circumstances, levy a 100 per cent penalty on the employer or reduce or suspend the worker's benefits without granting the seven-business day, half-penalty period. The WSIB may do this if the worker or the employer are reasonably expected to know the WSIB's cooperation requirements, and can offer no legitimate reason for non-cooperation.

*John Austin is a management consultant specializing in disability management and has worked with WSIB and worker's compensation issues for over 25 years. Over the past four years he has developed a highly successful private practice in these areas of expertise. John can be reached at 519-658-4018 or at [jpaustin@kw.igs.net](mailto:jpaustin@kw.igs.net)*

Next issue: "Safety Groups," part two of this article

## Client Advisory Boards How Business Owners Can Benefit

By: George Dube

What do your customers **really** say about you when asked to recommend someone in your industry? **Client Advisory Boards (CAB)** are a great way for you to find out how your customers feel about your business, what you can do better, and what you must do to improve your business.

You can conduct a CAB yourself, or have an independent facilitator conduct the meeting for you. Having an experienced, independent person, such as a Raidea representative, complete this CAB allows your guests the advantage of disclosing **all** of their opinions. In addition, you can ensure that the experienced individual will get the critical information you need from the group, and your guests will have no doubt from the professionalism displayed that you are serious about your business and value their opinions.

Invite 8 to 12 of your best customers to a CAB. Make sure to invite a mixture of clients. This way you'll get a cross-section of comments. You'll want to take as little of your customers' time away from their working day as possible. Therefore, the meeting should only be 2 to 3 hours long.

The meeting should be held somewhere your customers will feel comfortable, usually at a neutral off-site location. It's also a good idea to have your CAB videotaped. You can then refer to it later for valuable information.

There will probably be a couple of people who will dominate the discussion in the group. Ensure that your facilitator is prepared to effectively deal with this.

By conducting a CAB, you'll be able to do something about it, and make your business better. The client meeting is just the first step in the entire CAB process. Find out how Raidea Business Solutions can help your business.

*George Dube is the owner of Raidea Business Solutions Inc. in Waterloo. He can be reached at 519-725-3566 or [georgedube@raidea.com](mailto:georgedube@raidea.com)*

## Group Disability Plan May Disappoint

By: Lordy Numekevor (RHU, CLU)

When John Jokoto, vice president of a medium-sized company, returned to work part-time following a mild heart attack, he had no idea his company's group disability insurance policy would not be ready for him.

Off the job for 3 and a half months, he fully expected that in two weeks he would begin receiving benefits to supplement his shortfall in income while he worked on a reduced schedule.

To his surprise, the company's insurance group had advised him that he would only be eligible for benefits had he been away at least 120 consecutive days, and then only if he was judged to still have a total disability. Now that he was back at work, he didn't qualify at all.

Like Jokoto, many business executives are unaware that group long-term disability coverage is designed less for senior managers than for the employees. The structure and contractual definitions in such policies make it difficult for executives to claim benefits.

Lawrence Geller, a Campbellville-based disability insurance expert, has written that most long-term disability insurance policies offer only "catastrophic" coverage, while most disabilities are partial and progressive by nature.

Few are catastrophic, that is, health conditions that take six to twelve months to finally affect a person's total ability to earn income. Yet most group policies require 120 consecutive days of total disability before benefits are paid.

In the typical group long-term disability contract, the definition of "total disability" means that during the first 24 months of a claim, the employee must have a complete inability to engage in their normal occupation. In addition, few disabilities are catastrophic, i.e., health conditions that take six to twelve months to finally affect a person's total ability to earn income. Yet most group policies require 120 consecutive days of total disability before benefits are paid.

For benefits to continue after 24 months, however, the employee must be completely unable

to engage in any occupation, or any employment they are qualified to accept, or could become qualified to accept.

Given their work responsibilities, it's almost impossible for executives to be absent for 120 days, so they return to work regardless of whether it's best for their health.

### Most long-term disability insurance policies offer only "catastrophic" coverage.

Another inadequacy of many group long-term disability contracts is the lack of progressive protection. Once you are diagnosed with a heart condition, for example, you won't qualify for additional coverage, even though your income may grow substantially.

Why then do such group contracts remain popular? As Geller put it, "group disability is where quality and amount of coverage meet the lowest common denominator of the group." In other words, the reason is price. Premiums, while costlier, are frozen at guaranteed rates and the terms can't be changed. And while group disability contracts typically cover only salary, personal contracts can be drawn up to also include coverage for taxable benefits such as bonuses, dividends, and company contributions to RRSPs.

Personal disability insurance is portable and continues even should the owner become unemployed.

Profitability and productivity are benchmarks by which all executives are measured. An executive disabled by a back problem or heart attack must answer several questions:

If I go on disability will the company still be as profitable? Will my absence for four consecutive months or longer create a situation where I must be replaced? Do I give up my corporate future for a marginal disability benefit that does not allow me to return to work part-time, or maintain a presence at the company while I satisfy my four-month waiting period. And if I choose to stay working and forego benefits, will I put my health in jeopardy?

*This article was first published in The Record*

## Health Clinic Progressive Muscle Relaxation

Most people are not aware of muscle tension until they have a full-blown head ache, neck or back ache. Progressive muscle relaxation helps you distinguish between the sensations of tension and deep relaxation and can help prevent anxiety, fatigue, distress, and muscle tension. You can do these exercises sitting in a chair at work, home, or wherever you encounter stress. Repeat each exercise sequence twice.

1. Clench your right fist tighter and tighter, noticing the tension as you do so. Now relax. Notice the looseness and feel the difference. Repeat once more with your right fist, then perform the exercise with your left hand.



2. Bend your elbows and flex your biceps hard. Relax. Straighten out your arms and notice the difference.



3. Close your eyes tightly, then relax them, letting them stay gently closed. Clench your jaw and bite hard. Now relax your jaw, lips, and mouth.

4. Pull your shoulders back hard, then relax them. Pull them up to your ears. Then slowly relax your shoulders, letting them drop. Notice how long your neck feels.

5. Give your entire body a chance to relax. Take a deep breath in as you tighten the muscles throughout your body. Pull your feet up and notice the tension in your legs. Relax and exhale.

Relax even more. Return to a good sitting posture, take one deep breath and get on with the task at hand.

## President's Corner

### The Road To Success Is Always Under Construction



At one of my Rotary Community involvement duties a few years ago, a couple, Nick and Nicki Avukor (not their real names), in their mid 40s came to me and asked what I did for a

living. "I am Disability and Corporate Insurance Specialist who works with business owners to preserve the value of and guarantee a market for their business or share values," I replied. "How can you guarantee a market for a business?" they inquired with a rather curious look on their faces. I suggested that we have a fireside discussion of the topic, as it would involve understanding why they went into business for themselves and where they planned to take it in the future.

Our meeting took place on one of those November days, when our cold Canadian winter makes you wonder why you are here and not somewhere in the Caribbean! (Remember, I am from a very very warm climate!) Boy, was it ever warming to sit by a gas fireplace. I like discussing these issues in an informal environment, especially in the comfort of a home.

At the conclusion of our two hour meeting, I established that this fine and hardworking couple had been in a computer software development business for about ten years. The business is the only source of family income. Nicki, unlike her husband, was not very much involved in the day-to-day running of the business, but does do some work from their home office. She also takes care of their three wonderful children ages 4, 7, and 10.

They had reluctantly purchased a \$100,000 life insurance policy on themselves two years earlier, even though Nick does not believe in life insurance. The company has an excellent Group Benefits Plan for its 50 employees, through which Nick has his Long Term Disability (LTD) insurance.

The business is Nick and Nick is the business and as a result everything revolves around him. Nick had already begun training a couple of the employees to assume management positions, which would enable him and his family to take decent vacations—or at least be able to take one! I then asked what would happen to the business if he were to have a heart attack or cancer, or even die

before his employees could assume these roles? He replied that he would have to sell the business. "To whom and at what price?" I asked. I also asked him if he was aware that about 150 lives (50 employees with an average family size of 3) were riding on his continued good health. It was at this point that they realized they had a problem.

After several other meetings with them, their accountant, and their lawyer, a financial security program was installed for them. A monthly Executive Disability Income Plan (EDIP) was set up to replace the Group Long term disability. A \$1,000,000 *Business Stabilization Fund* was also set up. This fund will automatically be activated should Nick have a heart attack, cancer, or other life threatening conditions and survive them for 31 days (*Lump Sum Disability*) or should he die prematurely. The Business Stabilization fund will be used to pay creditors, suppliers and employees alike to assure them that the company is still open for business, despite the absence or loss of the owner-keyperson.

The family could also draw on this fund for family needs (particularly in case of death) until the business is transferred to the employee-managers. The need for this insurance may diminish when the manager-trainees have assumed their responsibilities fully. A Buy-Out Agreement was also set up between Nick and the manager-trainees and funded with the same types of insurance, with the premiums paid by the manager-trainees. In this case, in the event of a heart attack, disease, or death, the insurance proceeds will come to the manager-trainees which they will, in turn, use to buy Nick's shares, thus guaranteeing the market for the business.

So we have created a win-win situation for all. Nick is now happy that his family's dreams and aspirations, as well as those of his employees, are guaranteed.

So what do I do again? I am the *Corporate Insurance Technocrat* who is right behind you every step along the way as you build on your business successes to ensure that you do not lose what you have built so far. I stand by every program that I installed. After all, every job is a self portrait of the person who did it.

Always remember that success in business is like riding a bicycle. Either you keep moving or you fall over—keep it moving!!

Have a great summer.

**ABOUT THE COMPANY**  
**Need help through the insurance planning maze?** We at Numekevor & Associates can help your company through business succession planning, disability and health risk management, creative group benefit plan design, and individual estate creation and preservation ideas. We can be reached at (519) 621-4422, 1-800-964-8797, or via email numassoc@golden.net

**ABOUT THE NEWSLETTER**  
This newsletter belongs to our clients. We at Numekevor & Associates hope that **NewsForum** will foster an opportunity for discussion which will enrich your business and family lives. This newsletter is published twice a year.

Publication dates are January 1 and July 1. We welcome submissions from our readers in the form of original articles, photos, or original artwork. Submission deadlines are the last week of November and the last week of May. Submissions may be typewritten, supplied on disk (saved as a RTF file, please), sent via E-mail to numassoc@golden.net, sent via Canada Post, or sent to the office at 193 Pinebush Rd. Suite 200, Cambridge, Ontario, N1R 7H8. We reserve the right to edit articles for length and clarity.

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