

Hawkes Electro-Arc Ltd.

Building a successful business one customer at a time



“This is a very dusty business,” Art Hawkes says with a broad grin as he blows the dust from the sheet he hands me, the sheet all his potential customers receive as an introduction to his and his brother’s welding equipment repair company, Hawkes Electro-Arc Ltd.

Art and Wayne Hawkes, brothers with a passion for helping other companies stay in business, opened in 1976 to operate as a welding equipment repair shop. But increased demand for parts from existing clients saw Hawkes Electro-Arc evolve into much more than they had originally planned. **Now 25 years later, - in fact, this year marks their 25th anniversary** - and bigger than they ever anticipated being, Hawkes Electro-Arc boasts an expanding business in Cambridge that employs 5 people and services customers from all across Canada and even some points in the States.

Aside from their welding and plasma cutting equipment repair shop, they also run a parts department to service their expanding client base. That they respond quickly to customer needs is one reason why customers enjoy doing business with Art and Wayne. With customer service in mind, Hawkes Electro-Arc also offers rental of equipment, mostly to existing clients whose machines are in for repair. Their retail section speaks to the needs of the hobbyist - one of the specialized groups of customers that Hawkes Electro-Arc serves. However, the majority of customers come from the manufacturing sectors. In fact, one of Hawkes biggest clients is Babcock and Wilcox, a manufacturer of steam and generation products for the global market. In addition to servicing their clients’ immediate welding repair needs, they are also the local service and parts depot for Miller Electric welding products, as well as a warranty centre for most major equipment manufacturers. With Wayne looking after service and consultations with customers and Art managing the day-to-day operations of the business, Hawkes Electro-Arc has seen a steady increase in business at their industrial road location in Cambridge.

How did Art and Wayne build up a successful 25 year business with an impressive and expansive client base? “We worked many many hours and there was

even the odd night where we didn’t go home.” In fact, as Art laughingly joked, they built the business one customer at a time. Art stayed at his full-time job in the electronics field for a year, while his brother Wayne (who oper-

ated as a “one-man band” for much of that time) developed enough of a client base to warrant Art’s full-time commitment to the company.

When asked why they started their own company, Art was quick to respond: “I got tired of living out of a suitcase ... and wanted to do something more self-fulfilling.” Wayne was also looking for a greater challenge. Solving problems that could help other people out proved to be most gratifying. In fact, Art believes that satisfaction of accomplishment is more important than taking home a paycheck on a regular basis. Operating your own business inspires you to get up the next morning and get back at it, Art says. When asked what words of encouragement he would have for others who have the desire to start their own business, he says, forget about the clock (Art says with an all-knowing laugh), keep a sense of humor, and tenacity. Just don’t give up, work hard, and you’ll be successful.

Art and Wayne Hawkes - brothers with a passion for helping other companies stay in business

Juggling business and family life was difficult, but fortunately, both Art and Wayne have understanding wives, an essential ingredient to any successful business, Art says! In fact, Hawkes Electro-Arc is very much a family business. His wife Beth helped in the office, his mother did the bookkeeping for the men when they first opened, and his father built their prototypes and much of the original shop equipment.

When Art does manage to get away from the office, he enjoys sailing his new boat, jokingly referred to as his floating cottage. His spare time is spent in Midland working on or sailing his boat. In fact, he spends so much time working on a boat (then selling and working on another) that he wonders if his real job is marine construction. Wayne, on the other hand, has made his work one of his hobbies and can often be found at the shop at some very strange hours. When he’s not there, he enjoys working on his 63 Impala Super Sport and showing the car at various cruise nights.

By: Pam Lucier
Final Draft Publications

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Does Your Business Need a Web Site?

By: Tim Campbell

Simple answer: YES!

No matter what your business is, you need a web site. You pay for yellow pages advertising, as well as other magazines, and publications. You probably have a fax machine sitting next to the computer and printer in your office; and you've probably sent information by mail or courier recently. What we communicate, and how we communicate, is as diverse as society.

Many sites provide some form of news to make a site "sticky," so that web surfers will return to the site

The problem is that many business people don't understand why they need a web site. With recent reports of dot com failures, many businesses are re-evaluating the need for web presence. But you still pay for a yellow pages ad, and you still have a fax machine, because you maintain diversity in communications.

What do you want a site to do? Product or service information is a must, or is it? If you were concentrating on sales, you would probably provide highlighted information written by your marketing department. If you are a middleman wholesaler, you'll provide more detailed information, trying to attract other business to sell your product. What if I need information about an old product? I go

find the manufacturer and look for archive information.

Many sites provide some form of news to make a site "sticky," so that web surfers will return to the site. You don't need thousands of visitors per day to your site - you just need a few that will make significant purchases. A web site is a perfect place for your community newsletter (edited of course for the web), or you can subscribe to low or no cost "news feeds," providing dynamic content to your site, with news focused on your industry or interest.

When I find an interesting site, I look for biographies: I want to know more about you if I read your newsletter, or I may want to know more about the President or CFO if I want to invest in your company.

The possibilities are endless. The structure and content of your web site is as unique as your business itself. The internet has been around long enough now that there are some rather basic "do's" and "don'ts" in web design, but the content should always be unique.

A web developer is just as important to your business as a lawyer and accountant. You need more than a designer; you need a consultant who will guide you through the process of discovery, preparing to create and launch your site, as well as help you develop a strategy for ongoing issues.

Tim Campbell is an independent web developer in Waterloo Region. You can learn more about Tim at <http://www.sentex.net/~timothyc/>.



"You should check your e-mails more often. I fired you over three weeks ago."

Estate Planning Questions to Ponder

By: Barry Seltzer

A continuation of a reprinted article we started in the January 2001 issue of NewsForum.

Should I make funeral arrangements as part of my will or should I pre-plan my funeral?

There is no definitive answer here. Certainly you can provide for your funeral, and the deposition of your remains, in your will. So long as your instructions are clear, not against public order and good morals and not illegal, your executor/trustee can carry them out. Naturally, there must be enough money left in your estate to pay for these instructions after debts, taxes and fees have been removed. Some people purchase a pre-need funeral insurance policy to ensure that there is enough funds available, without a complicated claims procedure, when they are needed.

What if I lose or destroy my will, can I make a copy as a fail-safe?

If you intentionally destroy your will it is considered negated and unless you make a new will you die intestate. If your will has been accidentally destroyed, or in some other way damaged, the courts may permit, a true copy (from a lawyer's file, for example) to be treated as if it were the original.

How can I revoke my will?

You can specifically revoke a prior will in the drafting of a new will; in fact, most wills do just that in the first paragraph. If your will, for whatever reason, fails to do so, it may end up revoking its predecessor, or parts of it, if it has gifts, for example, that contradict the prior will, or if the two are inconsistent. You can also, of course, revoke your will by physically destroying it. But your intention must have been to destroy the will. It cannot have been an accident.

I appoint a power of attorney for the management of property years ago, does such authority become invalid after time?

While a power of attorney does not expire, one executed long ago may have been done using an old form and thus become invalid if you lose mental competency (unless it was a continued power of attorney. Have your old one reviewed and a new one drawn up, if necessary.

Changes To Ontario's Dental Fee Guide

The Ontario Dental Association (ODA) plans to introduce two important changes to its fee guide pricing methodology beginning January 1, 2002.

Preventive package codes will be eliminated and replaced by codes for the individual services within the package.

Rather than the traditional across-the board percentage increases of the past, annual revisions to the ODA Suggested Fee Guide will reflect not only the cost of providing dental care, but also the value that patients place on that care. Additionally, the ODA feels that the unbundling of recall packages will increase access to needed dental care by both insured and non-insured Ontarians.

Green Shield comments on these changes

Green Shield met with ODA representatives to discuss concerns regarding these proposed changes.

Package code unbundling

Current package codes are priced according to primary, mixed, and permanent dentition (i.e. baby teeth, permanent teeth). Once these packages are unbundled, Green Shield feels that these pricing differences will be lost, since individual procedure codes will not differentiate between primary, mixed or permanent dentition.

The ODA responds that these differences will be reflected in the time the dentist spends performing the service. For example, time spent to perform scaling on primary dentition is less than that required for a permanent tooth and, therefore, the fee should be less.

Green Shield's concern, however, centres around the common dental office practice of loading only the high end of the fee guide into the billing software, not taking into account time units, effort, and services rendered on an individual basis. Because of this, Green Shield projects increased costs of 20-25% over five years, with the most significant increase (15%) occurring in the first year.

Pricing methodology changes

It is premature to speculate on the true impact of non-uniform adjustments to fees. However,

Green Shield raises the following issues:

Due to an aging population, the next decade will see increased claim utilization and/or changing claim patterns. Where there arises a demand for higher-cost services and procedures, that is where the new pricing methodology will continue to increase fees.

The ODA believes that geographical differences in dental practices will be reflected in the actual dental fees rendered, determined through a pricing formula that takes into account such factors as "elasticity of demand" and the "cost of delivering services." For example, it is likely that the cost of maintaining a dental practice in Toronto is higher than it is in North Bay, and the respective fees should show this. Again, Green Shield's experience is that dental offices' billing software is frequently loaded with the high end of the fee guide with little, if any, individual adjustment made.

Green Shield recommends:

To mitigate the potential impact of these increases, we encourage employers to consider the following:

- annual plan maximums with capped inflationary increases
- capped lab and expense components (i.e. Green Shield's standard 40%)
- annual maximums for major categories (i.e. major restorative, etc.)
- reimbursement at the low or mid-range of the fee guide, where applicable
- suggested restrictions and maximums on new techniques (i.e. air abrasion, implants, snoring appliances, teeth whitening, sleep dentistry, etc.)
- review of recall frequencies for regular cleaning
- addition of frequency limitations to bitewing and other x-rays and diagnostic treatments (i.e. specific exams)
- increased use of co-payments, especially for periodontal treatments
- elimination of the assignment of payment to the provider
- enhanced employee education and communication regarding the true cost of dental benefits

Reprinted from *The Inside Story*, Green Shield Canada

Health Clinic Sun and Sensibility

With the arrival of summer, Canadians are flocking outside to celebrate our sunshine. However, this warm sunshine contains ultraviolet (UV) rays that can harm your skin and eyes, cause premature aging of the skin and skin cancer.

Why do we need protection?

Ultraviolet rays can get through clouds, fog and haze. Don't be fooled by cloudy days! You can find out how strong the sun will be each day by listening to the weather forecast. The daily UV index predicts the strength of the sun's rays. Basically, the higher the number, the stronger the sun. When the UV index is moderate or high, it is more important to reduce your time in the sun.

Guidelines

Reduce sun exposure between 11am and 4pm. The sun's rays are strongest at this time. If you can, plan your activities before or after this time frame.

Seek Shade or create your own shade.

When you are outside, especially between 11 - 4, try to stay in the shade. Be prepared for places without shade by bringing along an umbrella.

Cover your arms and legs to protect you from the sun's rays. Choose clothing that is loose, tightly woven, and lightweight.

Wear a wide brimmed hat. Most skin cancers occur on the face and neck. Wear a hat with a wide brim that covers your head, face, and neck. Baseball caps do not give you enough protection in these areas.

Use sunscreen with a sun protection factor (SPF) of 15 or higher. Apply sunscreen generously 20 minutes before outdoor activities. Reapply at least every 2 hours, after swimming, and exercise.

Other tips - keep babies under 1 out of the sun. Tanning parlors are not a safe place to tan. They can emit stronger ultraviolet rays than the sunlight!

Reprinted from *At Your Service*

President's Corner

The New Millenium Life Insurance Advisor - More Than Just An Insurance Peddler



Sitting in my driveway watching the cars go by and the kids ride their new summer bikes, I pondered over what I should discuss in this issue of *NewsForum*. Suddenly it came to me: I should discuss how important it is for us, as insurance professionals, to protect these poor and innocent children in this turbulent world of ours.

Boy, how fast the insurance profession has changed and how far it has come since I started in 1988! If there were professional standards to adhere by, they were rarely brought to the attention of the agent, let alone enforced. Consequently, a lot of the so-called agents came into the business with the sole aim of making quick bucks at the expense of vulnerable and uneducated consumers.

Thank God things are dramatically different now. The bar has been raised very high for new entrants into the profession. There is a rigorous entrance examination and an extensive supervision requirement for the managing agency who hires the agent (insurance companies do not do the hiring anymore!). The agent must endeavour to obtain a professional designation within a reasonable time. Above all, on a regular basis, every agent must satisfy the government regulators with required minimum Continuing Education (CE) credits before his or her licence can be renewed. S/he must also have Professional Liability Insurance and belong to a professional association. The largest of the professional associations is the Canadian Association of Insurance and Financial Advisors (CAIFA). Our Ethics and Practice Policy requires the agent to, at all times, place the interest of the consumer first. I call it the Primacy of Consumer Interest.

What do these higher standards mean to you, the consumer? It is obvious that our professional associations work with the government to protect the vulnerable consumer. It also means that you can now feel very confident about the level of advice you receive from your advisor. The profession now wants to assure you, the consumer, that the life insurance professional can be placed on the same level of professionalism as accountants, lawyers, and other professionals.

Let the following creditor protection case illustrate what you can now expect from your insurance advisor:

Ronald Harrison and Nancy Frederick were married in 1978 and divorced in 1992. They had three children,

David, Krista and Michael. Under the terms of the divorce settlement, Mr. Harrison was required to pay monthly child support and to obtain life insurance on his life in the amount of \$150,000, naming his children as irrevocable beneficiaries of the policy. In November 1995 Mr. Harrison and his son, David, were killed in a traffic accident. At the time of the accident, Mr. Harrison was in arrears of child support in the amount of \$59,000, plus interest. He had also failed to purchase the required life insurance but, instead, obtained a \$300,000 policy naming his common law spouse, Bernadette Snider, as irrevocable beneficiary.

The surviving children sought judgement against his estate for arrears of child support and the required \$150,000. The common law spouse argued that the Insurance Act states, "where a beneficiary is designated, the insurance money, **from the time of death**, is not part of the estate of the insured and is not subject to the claims of creditors of the insured." It also states that an insured, "may designate a beneficiary **irrevocably** and in that event..the insurance money is not subject to the control of the insured or the insured's creditors and does not form part of the insured's estate." The court, never-the-less, ruled in favour of the children citing similar precedent cases like *Moores v. Hughes* and *Dunn v. The Estate of Dunn*.

So what does this case have to do with your Insurance Advisor? It means s/he must be on the cutting edge of knowledge by bring herself or himself up to speed on these relevant legal cases so s/he can give sound advice to clients. **S/he must know that in the interest of equity, the courts will use the Succession Law Reform Act as an exception to the Insurance Act.** Furthermore, s/he must exercise due diligence and care in advising a client on the creditor protected nature of insurance policies, particularly in cases where there are dependants who may have claims against the estate. A thorough review of the client's financial obligations should be undertaken, particularly in situations where divorce and /or remarriage is involved, to ensure that adequate provision has been made for the potential claimants. This is the best way to ensure that beneficiary designations are not overturned through dependants' relief applications.

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 at email@numassoc.com

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. 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.

What is New

The homepage of our website - www.numassoc.com - has been totally redesigned and looks marvellous. A million thanks to Tim Campbell for a job well done. Many thanks to Jazzy Wynter of Manulife, and Charles (Fifi) Marful of PriceWaterhouse Coopers for their invaluable *critiques*. The "Community Forum" page is for you to post ideas that would improve our community, as well as very important and special events of your company or family. Have a great summer.