

From a sketch on a napkin:

The story of CareGo

15TH ANNIVERSARY 1999-2014



CAREGO 
the innovators



By Elias Tsafaridis
with Cynthia Janzen

Company Timeline

1997 - Thompson Storage open for business

1998 - Thompson Storage re-named "T&T Warehousing"

1999 - Demet goes out on his own

1999 - Steelcare formed with partnership arrangement

2000 - Opening of Plant 6

2002 - Partnership ends/Shotgun clause enacted

2002 - Start-up of Railcare

2003 - Green light to build plant 19

2004 - Transcare Logistics launched

2004 - Plant 19 opens

2006 - Plant 19 wins LEED Gold Standard award

2006 - `CareGo Holdings' created in branding exercise

2007 - Green Age Design grows out of Plant 19 experience

2008 - Carelynx is created

2008 - Economic crash/company downsizing



Part 1 Early days

Part 1, Chapter 1: A Sketch on a Napkin

An epiphany mixed with vision is often where the best ideas come from.

Demetrius Tsafaridis was rising through the ranks at Dofasco, having been tested on various rungs of the corporate ladder in 14 different roles over a dozen years. He had joined the Hamilton steel legend shortly after graduating from the Schulich School of Business at York University and viewed each new position as his ongoing education in the metals industry – always with the back-of-his-mind notion that he'd make use of this education outside of Dofasco some day.

The spark that lit the entrepreneurial fire came from an intensive 11-month strategic planning project based in Kentucky. Demetrius' task was to seek out businesses that Dofasco might eventually purchase; however, all the possibilities that turned up were not nearly of the size and scope to be useful for Dofasco's hurdle rate.

"I realized that Dofasco was never going to invest in any of these smaller businesses that we were presenting – although they were good solid businesses – because Dofasco was afraid their 'big management' style would crush the entrepreneurial spirit of the smaller business" – Demetrius Tsafaridis

A further realization was that small business experience was the only opportunity Dofasco couldn't offer him. It was the missing piece in his business education and prompted Demetrius to trade security and almost certain continued promotion for hands-on experience in a smaller, more entrepreneurial company. In 1997, at the age of 35, married and with four children ranging in age from five to nine, he handed in his resignation.

"I realized if I don't jump ship now with everything I'd learned, while I was still relatively young, I was never going to do it. I would get stuck in the corporate rut and once you get closer to 20 years as an employee, you start to see a finish line at 30 years and

continued...



Demetrius, centre, back row, with a Dofasco work team he led. Mary Donmoyer is in the centre of the front row.

so you don't want to give up all that you've invested working for a company" – Demetrius Tsafaridis

Demet was ready for new adventures but there was someone at Dofasco he wanted to take with him: Mary Donmoyer. Mary was a blunt, no-nonsense administrator in the Dofasco IT department and the two met while working together on a functional improvement program. They hit it off and built a friendship around their mutual workaholic attitude.

"Shortly after he left, Demet met with me and asked me to follow him into the abyss. I was entering a completely different realm – I had spent 18 years at Dofasco and I liked it, but I was ready for something new" – Mary Donmoyer

Demetrius and Mary joined a company called Thompson Metals, a small metals recycling and demolition business based in Burlington, Ontario. A few months later Demet was driving to Detroit on a steel purchasing trip when he got a call from Terry Robinson, a Dofasco colleague and friend, asking if he knew of any steel warehousing companies where Dofasco could store its product. In the car with Demet that day was Jim Kelly, an executive from Detroit Steel Corporation. He listened to the phone conversation and when it was over, commented that with Demet's knowledge of the business, coupled with the obvious need for this type of service, why didn't he run a steel storage facility himself?

Though Demetrius didn't instantly recognize it, this was his second "aha" moment, though his immediate response to Jim was that the expense of staff, equipment and the warehouse itself would likely be prohibitive.

But Jim Kelly knew someone with a facility on Woodbine Avenue in Markham. A quick phone call confirmed that the 80,000 square foot building was empty and ready for storage at \$4.50 a square foot. Demet pulled into a Tim Horton's at the side of Highway 401, and the two men drew up a plan on the back of a napkin to see if the operation was fiscally possible. After working out the costs and expenses of running the facility, it was obvious this was a good opportunity.

"Storage wasn't something I had thought about, it was just an opportunity. It was something I knew, it was something I understood, I had the right person, Mr. Kelly, who pushed me

into doing it. He knew I had the ability to do it. So when the opportunity is there and the timing is right, and with the right people believing in you, when that window opens you need to go through it when you have the chance" – Demetrius Tsafaridis

Demet then called Gary Thompson, his current boss and the CEO of Thompson Metals, to propose the idea of getting into the steel storage business. Thompson was confident enough in Demet's business acumen to agree on the spot. Demet then called Terry Robinson at Dofasco, and instead of presenting a list of other warehousing facilities, Demetrius proposed they do business together. Terry agreed to explore the possibility.

On the way back to Burlington the next day, Demetrius and Jim Kelly talked the whole way about how the warehousing operation could be set up. On Friday morning a few days later, all the players – Demet, Jim Kelly from Detroit Steel, Gary Thompson of Thompson Metals, and Dofasco executives, walked the facility at 850 Woodbine Avenue in Markham and agreed that they were in business. Coils would start being shipped to the facility the following Monday.

That weekend was alive with the urgency of Monday's deadline. Demetrius drove back to Detroit with Jim Vooys, the mechanic for Thompson Metals, to pick up a Taylor forklift borrowed from Detroit Steel Corporation. But the lift was too big to fit through the Detroit tunnel, which required Jim Vooys to dismantle it part by part, so they could float it across the Detroit River by barge into Windsor, Ontario. Chris Tsafaridis, Demet's younger brother, took two weeks off from his restaurant business to assist in setting up the warehouse by sweeping out the floors, painting driveway lines and test-loading the cranes.

On Monday August 25th 1997, the doors at the newly-named Thompson Storage opened for business. Demet and Chris took turns on the tow motor unloading coils from their first and only customer, Dofasco. Thompson Storage would eventually turn into "T&T Warehousing" which would eventually turn into "Steelcare Plant 1," which would eventually turn into a whole lot more. ➤

Part 1, Chapter 2: Starting Out

Equipped with a fully functioning warehouse, newly leased forklift, and a customer (Dofasco) eager to store steel, Thompson Storage was open for business but missing a key component for any company: employees. In the five rapid days from the company's inception (sketching out the idea on a Tim Horton's napkin) to the opening day, they actually had yet to hire a staff to manage the logistics of the warehouse.

On day one, the warehouse was operated by Demet himself, aided by his brother Chris. But judging by the magnitude of Dofasco products flowing in, this wasn't a solution that would last very long.

Two days after Thompson Storage opened for business, a man named David Taylor showed up, knocking on the oversized bay doors. Dave had been a long-time employee at the facility when it operated under its previous owner, and he was looking for work. Demetrius had just one question for him: "Can you drive a forklift?" Dave climbed up the side of the lift, turned it on and maneuvered all the controls on the machine so Demetrius could observe his knowledge. When Dave Taylor stepped down from the forklift, there was a job offer waiting for him. He accepted, climbed back on the forklift and continued working the rest of the day.

"Dave was the best thing that could have happen to us at the time with that facility. He knew every inch of the building so whenever there was any issue he knew what it was and often knew how to fix it" – Demetrius Tsafaridis

Dave Taylor played a significant role in the first year of Thompson Storage's operation, developing into an ad hoc general manager and trainer of all new employees. Having an employee like Dave gave Demetrius a level of support that not a lot of young business owners get from their employees.

But some other employees had their shortcomings. Most of them were picked up from workplace agencies for temporary employment. Since the Dofasco shipments varied in volume, it was an easy way for the fledgling business to manage overhead and stay on budget. Most of the temps had some warehouse experience but Demetrius soon found any number of other issues could arise.

Two men were picked up from a temp agency to run overnight shifts at the facility: a middle-aged Vietnamese

man named Quang (who was eventually hired full-time) and an elderly Russian man (who wasn't).

"One evening I received a phone call from Quang at about 9 p.m. Quang was agitated, yelling, 'I'll kill him! I'll kill him!' so I rolled my eyes, jumped into the car and began the lengthy drive from Burlington to Markham, which seemed to be a late night trek made far too often" – Demetrius Tsafaridis

On arrival in Markham, Demet discovered Quang clutching a machete and threatening to use it on the Russian. After calming Quang, Demet realized the dispute wasn't just about work, it was about cultural differences between these two employees. The Russian was used to a communist style of work with narrow parameters around one's own set of responsibilities. The older man took out-bound material only from his own bay, when he should have been moving them from Quang's bay also. To solve the problem, Demet put them on different shifts for the remaining time the Russian worked at Thompson Storage.

This kind of inner warehouse skirmishing was all new to Demetrius. He realized that running a business was more than looking after the customer and the product.

But along with the occasional friction among employees came the even greater possibility for antics. Having a workplace that was always cycling through new people provided a never-ending opportunity for practical jokes. One trick played on unsuspecting new employees was the infamous "air test." This was a prank where a new employee was requested to hold an industrial-sized plastic garbage bag above his head and run laps around the exterior of the warehouse. The story was that the health ministry was coming to test the air around the facility, so one person needed to take the "sample" from around the building. Running around a facility measuring 80,000 square feet two or three times in hot weather was exhausting for the new guy, but hilarious for everyone else.

Another less physical but more stressful prank was the "missing coil" trick. Giving new employees a fake coil number to pull for shipping meant the newbie spent hours searching the warehouse for a coil that didn't exist. The stress and confusion, met with disapproval and head-shaking by co-workers, was all part of the humorous hazing of new

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company members. Demetrius knew these high-jinks were going on and while he officially didn't support them, he tolerated it because it was done with no malice and in the spirit of camaraderie.

In the warehouse environment, though, laughter could quickly change to tension. One day a new hire named Kirby was unloading a truck when the hook holding the steel coil together came loose, causing the coil to open and start rolling along the floor. As it unraveled, it gained momentum and began moving swiftly towards the warehouse wall. Not trained for this kind of incident, Kirby began throwing things in the coil's path and yelling for help as the coil gained speed. Of course nothing he threw could stop the 50,000 lb rolling steel that inevitably plowed straight through the brick wall, mercifully coming to rest in a ditch facing the nearby highway.

"When I got up there I couldn't believe there was a 10 foot by 10 foot hole in the back wall and the coil was in the back yard. This was another moment when we all looked at one another and thought 'well, now what do we do?'"

– Demetrius Tsafaridis

After building a contraption using chains and the tow motor to drag the coil back into the building and roll it back up

again, it was time to fix the hole. Putting large sheets of plywood against the wall, with the help of the forklift, made a temporary wall by day's end so no-one could get in until a bricklayer arrived to repair it.

In addition to human error and equipment malfunction, Demetrius also found that natural elements could be the cause of disaster.

"A quick thaw in January caused the frozen pipes to burst and flood the warehouse. I didn't want any water damage so I went outside with a pickaxe in an attempt to redirect the water flow out of the warehouse. And as I stood there hacking away at the ground in the freezing cold January rain, I remember asking myself, why did I ever leave my job at Dofasco?!"

– Demetrius Tsafaridis

Whether it was run-away coils, weather woes or warring employees, Demetrius found that being a hands-on operator was every bit as exciting as he had hoped and more exhausting than he ever expected. With just one plant and one customer out in Markham, the small business slowly got its bearings and became a fully functioning facility. As good as it was to run the fledgling business, a sustainable future was always on Demet's mind. ➤

Part 1, Chapter 3: The Birth of Steelcare

Although the vision began on August 25th 1997 with the opening of Thompson Storage, it was some time before Demet's entrepreneurial direction really took hold.

The lease for the Markham building was in Thompson Metals' name, giving the warehouse its new name "Thompson Storage," and it became the first divergence from the company's core business of purchasing scrap metal.

The new warehousing operation was left entirely up to Demetrius. After the first full year of Thompson Metals' stint in the warehousing industry, Demet became a 50/50 partner in Thompson Storage – which then became known as T&T Warehousing.

Before long, Demet had his hands full running the warehouse, yet there was the matter of his original duties at Thompson Metals. After a frank talk with company owner Gary Thompson, the decision was made for Demet to leave Thompson Metals and focus 100 per cent on steel warehousing. His interest in steel logistics was stronger than ever, he now had small business experience, and the time seemed right to go out on his own.

Gary Thompson sold his half of the shares of T&T Warehousing and in January 1999, Demetrius Tsafaridis was officially on his own and in control of his own company. Fourteen quick years after graduating from university, his dream of owning a business had finally been attained – but not without some degree of anxiety.

"It was definitely a bit scary in the beginning, I no longer had a job at Thomson Metals, I only had one six-month contract with one client (Dofasco), after which point I could be out of a job and everything else" – Demetrius Tsafaridis

Demet knew he couldn't run the facility alone, and he asked Mary Donmoyer for her second leap of faith. She had already been in charge of administration and inventory at T&T Warehousing and would continue on – but now working only for Demetrius.

Business improved in a slow but steady way that first month at T&T Warehousing. But the worry involved with having only one customer was a growing concern for Demet. With the rapid turnaround of Dofasco products, the main focus of the facility was to accommodate their one customer, leaving



Steelcare's Plant 6 opened in late 2000

no time to appeal to more. The storage lease was coming to an end in six months and if Dofasco decided to not renew its contract, well, that would be the end of T&T Warehousing.

The opportunity for expansion came when a Hamilton businessman contacted him for advice on how to get into the same business of steel warehousing. Demet's contact wanted to purchase two Hamilton-based companies called Jover Steel and Exact Metal. The warehouses were both storing Dofasco steel – in fact they were both contracts Demetrius had set up while still at Dofasco. Knowing both accounts as well as he did, Demetrius realized this was a make or break situation for T&T Warehousing.

"I thought at this point, if these guys are going to come in and get involved in the steel warehousing business in Hamilton, that puts me at risk out in Markham because I was too far away from my customer. From a market standpoint it didn't look good" – Demetrius Tsafaridis

There was a distinct disadvantage being in Markham. It was a good hour away from Dofasco in Hamilton, and now similar business interests were wedging into the market. More than ever, Demetrius felt his situation was becoming precarious. He solved it by suggesting to his contacts that they create a single steel warehousing and logistics company. Just one month after starting out on his own, Demetrius joined forces with the other two men and Steelcare was born in February 1999 out of the consolidation of T&T Warehousing, Jover Steel and Exact Metals.

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The ownership was divided into three parts: One man was a silent partner with 50 per cent ownership, Demet remained as working president with a 25 per cent share, and a chief financial officer owned the other 25 per cent. After Dofasco renewed its commitment with all three facilities, Steelcare opened the doors of plants 2 and 3 in February 1999.

The original facility in Markham was considered Plant 1 in the company chronology; Plant 2 was at 1675 Burlington Street in Hamilton and Plant 3 was at 400 Green Road in Stoney Creek. By opening two new facilities in Hamilton, the heart of Ontario's steel industry, the profile of Steelcare grew quickly.

Plant 3 became Steelcare's new headquarters, but was informally known as the "Fuzzy Peach Facility" because it occupied part of a warehouse also used by the candy company Trebor Allan Inc.

Steelcare's pace of growth picked up rapidly, given extra steam by the decision to store not just steel coils but industrial products like steel pipe, rods, coated coils, hot-rolled coils and various other sheet industrial products. By spring 1999, Plant 4 opened its doors right next to "Fuzzy Peach" and in December Plant 5 opened at 720 Strathearne Avenue, near Hamilton's Pier 24. It was entirely filled with Stelco materials and became the first plant opened specifically for the purpose of storing products other than steel coils. It was the first plant in Steelcare's group that didn't have a crane, but instead was equipped with three lift trucks to move product around.

As the new millennium began, Steelcare took another major step by entering into a tendering process to build a 50,000 square foot transload facility for Canadian Pacific Railway.

But Steelcare proposed a 150,000 square foot facility, suggesting that the additional size would allow the building to be used for temporary storage as well as transloading. With Demet's industry knowledge and the backing of customers like Dofasco, who were ready to buy all the temporary storage space in the building, Steelcare beat out 10 other competitors and won the business with CP Rail.

From January through November 2000, a purpose-built steel storage building rose at 400 Longwood Road South, adjacent to Highway 403. Plant 6 was Steelcare's first facility built specifically for its own business – designed, built and financed by the ownership team. A long-term management contract was struck with Canadian Pacific Railway because the train tracks running straight through the facility would allow product to arrive by rail and enable the transloading capacity (rail to truck) no other plant had. To this day, Plant 6 is still Canada's largest steel transload facility.

Plant 6 was impressive: 150,000 square feet, equipped with six, 50-ton cranes, two in each of the bays. An overhead mezzanine above the north-east truck bay allowed staff to have a bird's eye view of the property and facilitated trucks coming through to offload material. The plant ran 24 hours a day and seven days a week with a warehouse staff of 42. On the south side of the building, the tracks entered and exited the building, and beyond was a rail yard that could house up to 450 rail cars.

The pace never slowed: From November 2000 to mid-2002, Steelcare opened seven new plants, using a "pop-up" model of leased space that allowed the company to quickly respond to customers' storage needs. Plants could open quickly and



Steelcare Teams With Canadian Pacific

Hamilton's own Steelcare developed a 171,000-square-foot warehouse/distribution centre on Canadian Pacific's property just off Aberdeen Avenue in West Hamilton.

The \$14 million facility features three drive-through truck lanes on the north side and two drive-through rail lines and truck lanes on the south side.

The drive-through rail is the first of its kind in Canada where an actual locomotive can go right through the building and spot 40 rail cars, 20 on each track.

The facility is capable of handling up to 1.5 million tons of rail Transload products in a given year. Steelcare owns the facility and has a land lease arrangement with Canadian Pacific.

Excerpt from the City of Hamilton's *Economic Development Review 2000*



Plant 6, also the company headquarters, at the intersection of Aberdeen Avenue and Longwood Road

close quickly when the storage need was over. Using this approach, Steelcare opened more plants in Hamilton and also in Cambridge, Aberfoyle, Cooksville, Mississauga and Delhi.

But the rapid success of Steelcare proved to be a double-edged sword. The previously “silent” partner now wanted a bigger hand in day-to-day operations and more decision-making power. Demetrius and the CFO felt crowded, and the parameters between their mutual responsibilities were getting pinched as a result. By the end of 2001, the entire partnership arrangement was showing signs of wear.

With no sign of improvement in partnership relations, Demetrius made the decision to alter the ownership structure and invoked the “shotgun clause” in the shareholders’ agreement. This effectively put the company’s ownership into play and in July of 2002 a new ownership

was formed. Demetrius had now partnered with The Shotgun Fund (a private equity firm based out of Toronto).

With partnership troubles now behind him, Demetrius continued moving forward with Steelcare. He was a 50 per cent owner of the company, but 100 per cent in command of the operation. In his first 18 months after leaving Dofasco, he’d endured shareholder disputes and employee turmoil but continued to persevere.

From one facility in Markham, to the most talked-about young business in Hamilton with a state-of-the-art facility, and with two partnerships tested and dissolved, an early and important entrepreneurial lesson for Demet was that nothing in the business world is static. He realized that a smart and strategic business leader must both embrace and lead the changes that will inevitably come. ➤

Part 1, Chapter 4: The Service Onion

Demetrius was keen to establish a reputation for Steelcare on good customer service. His goal was to diminish any potential competition by developing his fledgling business around every possible demand, both actual and anticipated, from his customers.

“Think of it as an onion in reverse. An onion has layers you peel off; however, we wanted to be a service- oriented business and build services around the customer so they didn’t want to leave us. We kept on adding layers to our core business, with the strategy of building a level of customer service that went beyond the expectations of the customer and went further than any other competitor would” – Demetrius Tsafaridis

From this strategy flowed the “pop-up” shop method of opening facilities. Where bigger service centers already established in Hamilton would build a new facility on spec and then fill it, Demetrius got the customer first and then hurried to find a facility to store the product. It was unorthodox, but the advantage of having a young company was the “nothing to lose” feeling that made him open to such strategies.

Other customer service tactics, like facilities open 24 hours a day and seven days per week, having competitive prices, effective inventory management systems and a 100 per cent safety guarantee contributed to the wrap-around customer service ideal. Steelcare’s corporate logo, which essentially looked like two hands holding the word “care,” conveyed the company motto of assuring products would be handled with care.

Although the pop-up facility method met with success in practice, the process of leasing facilities in a hurry turned out to have a lot of red tape. Landlords and banks tended to be skeptical because Steelcare hadn’t been in business long enough to have established credibility.

The struggle for credibility came to a head when Demetrius and his partners had tried to raise the funds to build Plant 6, their first owned and purpose-built facility. No Canadian bank would do business with a company that was less than five years old; it posed too much risk. In the end, the company borrowed \$10 million from American GE Capital to cover the plant’s mortgage.

The stress of struggling with banks, leases and landlords inevitably caused some internal heartburn among the partnership group. It became apparent that financiers and property owners weren’t the only people who needed convincing that Demet’s business strategies were sound. Getting three leaders - and three egos - to agree on a single vision and direction for the company became increasingly difficult, and the differences contributed to the dissolution of the partnership.

“There are two times when you really understand your partnerships: When you are doing really well and when you’re doing really poorly. And when everyone has different ideas on how to succeed, it is hard to make someone else see the value of your idea. The difficulty with Steelcare early on was running a business while reporting to someone else. The focus was mine, the vision was mine and when other people didn’t see it, it was frustrating, which is why I wanted to go out on my own.

“On my own, with Steelcare, it finally allowed me to go down a path where it was my strategy, my vision, my implementation, and regardless of whether I’m doing the right thing or wrong thing, I’m the one making the mistakes and making the decisions that were either positive or negative. No matter how hard I was working, for me it was far more rewarding than when I was relying on somebody else to make that decision” – Demetrius Tsafaridis

When the early partnership ended, a new era began for Steelcare and for Demetrius personally. His new relationship with The Shotgun Fund allowed him to run the business but benefit from sound advice from a small Board of Directors. He’d seen first-hand how getting a young business off the ground was a balancing act between trial and error, and that managing the inevitable struggles was a necessary part of learning. He decided that consistency equaled complacency, and both were the enemy of growth and success. Another key to success that he learned from his time at Dofasco, was that running a business wasn’t just based on work ethic, but work camaraderie. Which was why, from early on, the company culture of Steelcare was one of its chief assets. ➤

STEELCARE

Part 2 A growing company

STEEL CARETAKERS

New state-of-the-art steel storage plant rivals any in North America

BY TARA PERKINS

It looks just like any other warehouse from the outside.

But the new Steelcare plant in Hamilton's east end is a state-of-the-art operation rivaling any in North America, company officials say.

Besides the high-tech inventory system, the building has been designed with the environment in mind.

Steelcare, a 100,000-sq-ft plant with plants nestled around Hamilton, has applied to the U.S. Green Building Council to have its latest building certified in the LEED (Leadership in Energy and Environmental Design) program.

The company, which specializes in storing steel, is hoping to receive a silver-level designation for the 83,000-square-foot building on Eastport Boulevard.

The building is covered by a double-skinned roof (lined with steel) that keeps the heat in. Radiant tube heating warms the stored piles of big steel coils, leaving them to heat the rest of the facility.

"When you heat the air and it has to heat the product, there's a lot of inefficiency," says Bob McDermott, manager of capital projects.

And a black panel that lines one of the building's exterior walls captures solar energy, which a fan pumps into the building through a giant white duct.

Natural light is an important feature, too. The roof has a translucent section. And the roof edge has a translucent section, too.



Steelcare president Dimitrios Tsafaridis' pride and joy is his new \$55-million plant on Eastport Boulevard.

stacks of such and determines where there's a gap for it among the rows of coils — stacked two to three high — in the cavernous warehouse.

"You know if they should go into action or not," he says. In the bottom row, a giant crane is used to move some of the stacked coils to the top row.

Then, as a barcode number, a giant crane is used to grab the corresponding coil from the bottom row, pushing it perfectly into the top row, lifting it and gently carrying it into the next row.

Red laser lights mark the exact spot where the coil should be put. Any coils that are not in the right spot are moved to the side.

At any time, existing worry about inventory.

"Steelcare has changed from a business into a tailor-made service for customers," Tsafaridis says.

One of the plants, on Aberdeen Street, is used to provide better logistics for customers, not just storage. It has rail tracks running tight through the plant where railcars are unloaded and loaded.

Part 2, Chapter 1: Family Values

Like any workplace, Steelcare had its share of conflicts, stress and challenges. But the young company also made a point of celebrating good times, often with employees' families on board.

As the company grew, the phrase "the Steelcare family" began to be used, and it didn't just mean the number of blood relatives and couples on staff, although there was always a significant number of those around. The "family" encompassed everyone who worked at Steelcare and the subsidiary companies, including the Transcare drivers, even though truck drivers are actually independent operators of their own trucks. It also conveyed a company culture that was like a family: Though there might occasionally be some squabbling within, the loyalty was fierce and people could rely on each other in times of trouble. Demetrius made a point of having an open-door policy so that anyone could come in to ask him a question, make a suggestion or air a beef.

"I never actually sat down and thought about the kind of company I wanted to have, but I am very family-oriented and I guess it was natural for me to see the employees as a kind of large, extended family. We work hard and expect a lot of each other but I hope we'll always be able to enjoy some fun together, too" – Demetrius Tsafaridis

Birthday celebrations with cake and coffee in the board room were regular occurrences in the company's early days, but the high point of the Steelcare "fun" calendar was the annual family Christmas party. Demet and Mary took a page out of Dofasco's book and organized an annual party complete with Santa Claus and gifts for both children and adults. The responsibility to play Santa was handed around for a few years until eventually IT director Martin Boni took it over and is still going strong.

When Plant 6 opened there was a Steelcare family event a week before the grand opening, with an empty section of A Bay set up with tables laden with food and drinks for staff and their families. Though the permanent staff complement at that point was still quite small, the intent was to thank

everyone for being part of the fledgling company's first two years of business.

"I always thought it was important for people to bring their families along. Not only do we get to know each other better when we meet people's spouses and kids, I think it makes the workplace more personal. It's been fun for me over the years to see people's children grow up, and the staff have seen my own four kids grow up" – Demetrius Tsafaridis

Families were also encouraged to take part in the annual golf tournament, which got underway in the company's first year and eventually became a fundraising event for charity. The event included staff, customers and suppliers and by 2014 brought in a record \$22,900 for that year.

Supporting community charities soon became part of the fabric of the company. At first it was as simple as a jar for donations at staff events.

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Chris Tsafaridis, centre, with Lil Boni and her two daughters, Madison, left and Mackenzie, at the Carelynx booth at a Hamilton Port Authority event

“In the beginning the parties were small because we were a small company. Every time a little dish would be put out for donations, and people could put whatever they wanted in there. We would end up coming away sometimes with \$300 or \$500, which isn’t much, but still something. It was never only about that, but whenever we could we always tried to do something for charity” – Mary Donmoyer

As the years went on, fundraising efforts became more formalized. Steelcare staff conducted food and clothing drives, took part in the “Big Bike Ride” for the Heart & Stroke Foundation, raised funds for the United Way and helped establish the Literacy Express, a refurbished rail dining car turned into a literacy and learning centre in Hamilton’s north end. The company sponsored children’s hockey and soccer teams and even a local race car driver.

“One of the challenges of growing your business is that you don’t know every single person like you did when the numbers were smaller. It’s a necessary part of getting bigger but I think no matter how big we get, we’ll make every effort to keep the family feeling going and support the community however we can” – Demetrius Tsafaridis ➤



Dan Leskovec and Marty Donovan at the 2014 CareGo charity golf tournament



Demetrius hands out a present to Dan Robinson at one of Steelcare’s early Christmas parties

Part 2, Chapter 2: Branches and Assets

In the fall of 2002, an opportunity for growth came when John Rose, the head of Steelcare's operations management team, brought a rail repair shop to Demet's attention.

Steelcare had leased an empty 10-acre field on Sherman Avenue North in Hamilton, which was used for the outdoor storage of plate, pipe and beams. The field was considered Plant 14 even though it lacked any physical structure. While on a routine visit to Plant 14, John Rose had a conversation with the former plant manager of a railcar repair operation located nearby. The site, with a 35,000 square foot warehouse on it, was no longer in operation because the previous employer had filed for bankruptcy and the assets were being auctioned off.

At the time Steelcare used part of its space at Plant 6 for "car cleaning." When a train car makes a shipment, there is a build-up of debris after completing a delivery, adding unnecessary weight. Steelcare cleaned the cars with each shipment, but it slowed down business flow at Plant 6. Demet was interested in the railcar repair site as a place where cleaning could take place away from Plant 6, as well as for its own business opportunities.

Aware that Steelcare was eager to expand, John developed a proposal for a railcar repair operation. After reviewing it and touring the railcar repair site, Demetrius agreed it wouldn't be difficult to get the facility up and running. Steelcare was granted a lease from Hamilton Port Authority and in December 2002, "Railcare" was introduced as the first subsidiary of Steelcare.

It was technically referred to as Plant 15 in the company chronology, integrating the new addition as part of Steelcare. John Rose was put in charge of the facility, hiring back both the sales team and most of the operating personnel from the previous employer. The facility had six indoor bays, outdoor repair stations and a 100 car on-site staging and storage yard, allowing them to handle a high volume of repairs with quick turn-around. Railcare's property included rail lines for both Canadian Pacific Railway and Canadian National Railway, which eliminated costly railway interchange tie-ups. For the first three months Railcare seemed to run smoothly; however, Demet soon realized that the bankruptcy of the previous owner had left bad feelings among potential

customers and suppliers. People thought the same owner had restructured and was still in charge.

Railcare struggled to get off the ground. With most of the same staff in place, the same mistakes were being made as with the previous business. In the first two years, Railcare was becoming a cash drain on Steelcare. Demet was advised by the other board members to seek restructuring help but he was determined to keep Railcare afloat. Cut off from lending money out of Steelcare, Demetrius assumed the staff's payroll to his personal credit account to keep them working. He also renegotiated the lease options with the port authority and had several meetings with suppliers. With their good faith and trust, he was able to extend leases and establish other payment options.

"We thought hiring the same people from before would help because they knew this kind of business. Boy, were we wrong. It wasn't until we had hired new people did the place start to turn around" – Demetrius Tsafaridis

After gradually saying goodbye to the original staff, Railcare was re-equipped with new talent. John Rose retired and Pat O'Halloran, an old friend of Demet's from Dofasco, was given the position of chief quality inspector. The general manager position was picked up by Wayne Hannon, a seasoned veteran of Hamilton's rail industry. With the right people knowing the right things, Railcare stopped its financial nosedive and began to grow. It became a healthy cash flow complement to Steelcare's services, pulling in more than \$3-million in annual gains. Most of Steelcare's customers that delivered product by rail also owned and operated their own rail cars. When the cars needed repairs, they did business with Railcare because of their relationship with Steelcare. It was another layer of the service onion.

When Railcare finally became successful, Demet was inspired to find more assets to add to his core business. In the spring of 2004 he purchased 18 semi-trailer trucks and "Transcare" was added to Steelcare's company assets.

Transcare was originally a for-hire transportation and logistics company handling mostly domestic shipping, distribution and transportation needs. It operated out of the overhead mezzanine part of Plant 6 under the guidance of a trucking logistics specialist, and Dean Carron, a former

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Careport Logistics on Longwood Road, with Transcare trucks parked in the back

truck driver who was now helping manage the fleet. The trucks transported a range of products, from coils stored by Steelcare, to pipe, skidded industrial and high value goods (machine parts, etc.) By the end of 2004, with rail repair and transportation offered as part of the service, Steelcare had evolved from a steel storage warehouse to a full service logistics company.

With the opening of plants 16 and 17 in Hamilton, and Plant 18 in Oakville for Dofasco and American Industrial, the company expanded from storing only steel to storing a variety of industrial materials on skids. Demet and his younger brother Chris (now the General Manager of Operations) of plants decided it was time to acquire a facility that would focus on logistics. In the fall of 2005, Steelcare opened the doors to its 20th facility under the name “Careport.” It was 170,000 square feet, the largest single facility Steelcare had to date. It sat on 270 Longwood Road South in Hamilton, across Aberdeen Avenue from Plant 6.

Careport’s goal was simple: search for novel ways to squeeze out inefficiencies and therefore reduce costs in a customer’s

supply chain. The facility could handle the coordination and storage of consumer goods, palletized merchandise or general industrial metals. Services included boxing products, shrink wrapping, banding products like steel pipe and de-canning steel coils (removing them from an all-steel casing) for transload operations. It also included the acquisition of a small boxcar transloading business called Eastport Warehousing.

Now the service onion was growing ever larger, with logistics, transportation and rail car repairs expanding the original steel storage business. But one facility is missing from the plant chronology. While Steelcare was busy supplementing its core business with new divisions, the 19th facility was being planned and built on Eastport Drive, at Hamilton Pier 25.

Plant 19 was to be another state-of-the-art facility and also environmentally friendly. Though no one knew it at the time, Plant 19 would change the fortunes of the company and set it on a new path for the future. ➤

Part 2, Chapter 3: Sustainable Development

From the earliest planning stages, Plant 19 was going to be different than other steel warehouses. The plant, to be developed on Eastport Drive at the eastern end of the James R. Allen Skyway, began as an idea for a unique covered terminal for unloading ships. With Demet's habit of naming projects or products after Greek gods and goddesses, the model became known as Tyche, the god of good luck.

The vision was that a ship could dock alongside a terminal and be unloaded regardless of weather conditions. It was to be used for Dofasco, whose docks were just one kilometer away. But it turned out that Tyche didn't live up to its name; the necessary approvals for constructing Tyche on port land didn't come through.

Still, the idea of a facility designed to accommodate Dofasco's inventory made sense, so the plans were adapted to become a steel storage centre with transfer by trucks instead of ships. A sale and leaseback arrangement with Hamilton Port Authority (HPA) was established whereby HPA owned the facility and leased it back to Steelcare, which owned all the assets inside of the building. Now it was time for design.

Enter Bob Edwards. A longtime west-Hamilton resident and civil engineer by profession, Bob had spent 25 years at Hamilton Port Authority, most of them as its general manager and finally as the interim CEO. In late 2002, he and

HPA had just parted ways. He was keen to do something new and he was green, in the sense that he had a strong interest in environmental issues.

Demet and Bob already knew each other because Steelcare had other facilities located on port land; mild-mannered Bob was essentially their landlord. After a lunch where they shared ideas about what could happen at the embryonic Plant 19, Bob joined Steelcare in early 2003 as manager of Capital Projects. The design of Plant 19 was a major focus for him.

There was a growing trend in the United States that was slowly making its way to Canada: Building warehouses that followed the Leadership in Energy and Environmental Design or "LEED" standards. To receive a LEED certification the building must satisfy certain environmental requirements that range from energy efficiency to using renewable resources.

In the first weeks of the design process, Demetrius dropped a pile of LEED standard manuals on Bob's desk so he could familiarize himself with the certification process. The LEED standard was based on a point system; for every environmentally conscious change to the building design, it received a point that decided its LEED status: platinum, gold, silver or basic certification.

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Plant 19 on Eastport Boulevard

“Our goal was to receive a LEED gold standard for Plant 19. We were not out to just pay lip service to it, we were looking for a fairly assertive and aggressive certification” – Bob Edwards

The building design had to jump through several approval hoops with HPA as the landlord and with the City of Hamilton for the site planning approval and building permits. The process of writing the designs and pitching the ideas went back and forth for six months in 2003, resulting in countless meetings and re-designs.

Finally, in September 2003, Steelcare was given the green light to build an 80,000 square foot building on Hamilton’s Pier 25 South Gateway and was scheduled to break ground in December.

On the outside, Plant 19 looked much like a standard warehouse; however, Bob’s energy-efficient design was quietly racking up points for Steelcare. It had a double-skinned roof lined with steel that trapped heat in the building so the sensitive automotive-quality steel inside could be stored at the precise temperature and humidity level it needed. A solar wall on the south end of the building caught the heat from the sun and internalized it as heat energy. The solar wall heated the air and vented it into the facility.

The warehouse was lined with motion sensors which triggered the lighting system. Lights were never on when people were not in the area, a simple idea which dramatically cut utility costs. Recycled water captured by a cistern was used for flushing toilets, saving the company from having to use the city’s water system. With all these special features, the building is 61 per cent more efficient for natural gas and 73 per cent more efficient for hydro compared to a standard warehouse. Plant 19 showed that going green was both good for the planet and good for reducing operating costs.

At the time, there was very little knowledge about energy-saving programs for the steel industry in Canada.

“Speaking to people about the LEED process and our quest for the highest standard, they looked at me as if I had two heads, saying ‘Why do you want to do it?’ and ‘What is your ulterior motive’ or they would try to dissuade me from the design. Because no one else was doing it” – Bob Edwards

In 2006 the Canada Green Building Council travelled from its headquarters in Vancouver to present the LEED Gold

standard to Bob and Demetrius for excellence in Plant 19’s design – the first industrial building in Canada to be so designated. The photo of the event, below, shows a proud-looking Bob and Demet holding up a concrete-framed plaque – an award that almost didn’t make it:

“One week before the LEED award ceremony, the plaque arrived by courier from Vancouver, broken. I got on the phone and they sent me a replacement concrete frame and I glued the face onto it. I still have a piece of the broken frame in my office, which I use as a doorstop” – Bob Edwards



Bob Edwards, left, and Demetrius accept the LEED award from the Canada Green Building Council

Plant 19 began to draw a considerable amount of attention from both Hamilton and international steel communities, and was the destination for multiple tours. All this was heady stuff for a company just five years old: There were two state-of-the-art facilities, with Plant 6 and Plant 19 both first of their kind in Canada.

While in the company’s very early days, leasing facilities seemed the way to go, Steelcare was learning the benefits of building its own places, providing they were innovative enough to be worth the investment.

“We want to be leaders. That philosophy has been around since the beginning. We strive to make things different, finding practical solutions to come up with better plans every time we go to the drawing board” – Bob Edwards

Striving to do something different was now an embedded part of Steelcare’s business credo. With Demet’s idea and Bob’s design, Plant 19 led the pack in steel industry innovation. ➤

Part 2, Chapter 4: Technology Mindset

The high-tech aspect of Plant 19 came very late in the process of developing the blueprints. Because of the LEED standards Steelcare was trying to achieve, the warehouse part of the facility required isolation from the shipping lanes in order to adequately control the storage temperatures. Well into the design of a standard storage facility, Demet and Bob decided at the 11th hour to investigate automating the cranes inside the warehouse, which would mean the warehouse could be separated from the trucking bay by a wall. After consulting a crane supplier and touring smaller scale facilities that already had automated cranes, they decided to proceed with automation.

“If you look at the drawings of the initial stages of Plant 19 you’ll see there are two versions of the building the suppliers were to consider. There was the conventional, and then there was the automated version. We actually had both of them bid during the tendering process” – Bob Edwards

After jumping through several hoops with the Hamilton Port Authority for the land use, the proposal to build an automated facility was approved relatively quickly because it supported the overall goal of the building design being sustainable and environmentally conscious. But introducing automation to an already-fixed building schedule proved to be somewhat problematic.

“There were a lot of challenges from an information technology point of view. It was one of the fastest builds in terms of shovel hitting ground to the building getting up and running. We broke ground in December and it was open in April. Bob and I basically lived at Plant 19 for months because all the stuff we had embedded in the process all had to be built by hand”

– Martin Boni

Martin Boni had joined the Steelcare team in late 2003 as head of Information Technology. A former military man, he had realized while on the Canadian Armed Forces peacekeeping mission in Cyprus that he needed a different career direction. A return to school revealed his affinity for computers and after completing a degree at the University of Western Ontario, he eventually joined Dofasco’s IT department, where he met both Demetrius and Mary Donmoyer. Laid off by Dofasco in 1994, Martin held a number of IT jobs until he spotted a recruitment ad for an IT

department head position at a local company called Steelcare.

Thinking, “What the heck,” Martin pulled his resume together and applied for the job. To his surprise, his application brought him back together with his former colleagues Mary and Demetrius.

Now he and Bob Edwards were fully immersed in the exciting task of bringing automation to the design and construction of Plant 19. It was a headlong race to get everything done by the start of the shipping season on April 1, 2004, as had been promised to Dofasco. There was no time for the computer programming language to be written before the construction took place; Martin had to do it while the build was underway. Every mechanical element of the building had to be coordinated with software to make it do something – software that didn’t exist but had to be created. If Martin wanted a challenge in his new job, he certainly had one.

He and the four other people in Steelcare’s IT department set up folding tables in the still-under-construction warehouse and worked long into the night writing code for a sophisticated inventory management system (IMS) that would generate reports, track everything and know, to the minute, exactly what products were going in and out of the warehouse. Their programming essentially created a “crane with a brain”, ensuring a coil would never be misplaced. The system would always remember where each coil was, and knew the optimal storage pattern to prevent bottlenecks and choke points.

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Martin Boni works at a folding table at Plant 19

Creating a network where all of the coil inventory and logistics are carried out by a computer program was no easy feat but the biggest difficulty was figuring out the automation of the crane.

Crane automation in the steel industry had seen small successes up to this point, but establishing it in an industrial building the size of Plant 19 was bordering on revolutionary at the time. With Steelcare's IT department numbering just a handful of people, Demet and Martin decided they needed outside help, and hired a firm that professed a deep knowledge of steel logistics and automation.

That firm, in turn, hired a group of university students, who were quickly flummoxed by the tasks. A second group was hired but that group too fell short. After several failed attempts, Demetrius called a halt to the proceedings. Frustrated and stressed, and with time ticking loudly on the April 1 deadline, he and Martin realized they'd have to

handle it in-house. The pressure was on, but Martin and his group came through, unwittingly setting the company up for its future focus on optimization technology.

"We got the automated cranes up and running in April but it wasn't until June that they were working well enough where we didn't have to babysit them day in and out. There is a break-in period you have while you learn something brand new and are applying real world applications to it. Time to work out the kinks and realize, 'we didn't take that into consideration.' Now we plan our training for clients by remembering the things that we struggled with ourselves in the early days" – Martin Boni

When it was done, Plant 19 was a marvel. The automated crane moved twice as fast as a manually-operated one, it literally "whooshed" across the ceiling of the warehouse to meet the electronic transfer car bringing in a coil. The quick transfer of a coil from truck to transfer car to a place inside the plant was like nothing ever seen, and to this

STEEL CARETAKER

New state-of-the-art steel storage plant rivals any in North America

BY TARA PERKINS

It looks just like any other warehouse from the outside.

But the new Steelcare plant in Hamilton's east end is a state-of-the-art operation rivaling any in North America, company officials say.

Besides the high-tech inventory system, the building has been designed with the environment in mind.

Steelcare, a Dofasco off-shoot with plants scattered around Hamilton, has applied to the U.S. Green Building Council to have its latest building certified in the LEED (Leadership in Energy and Environmental Design) program.

The company, which specializes in storing steel, is hoping to receive a silver-level designation for the 83,000-square foot building on Eastport Boulevard.

The building is covered by a double-skinned roof (lined with steel) that keeps the heat in. Radiant tube heating warms the stored piles of big steel coils, leaving them to heat the rest of the facility.

"When you heat the air and it has to heat the product, there's a lot of inefficiency," says Bob Edwards, manager of capital projects.

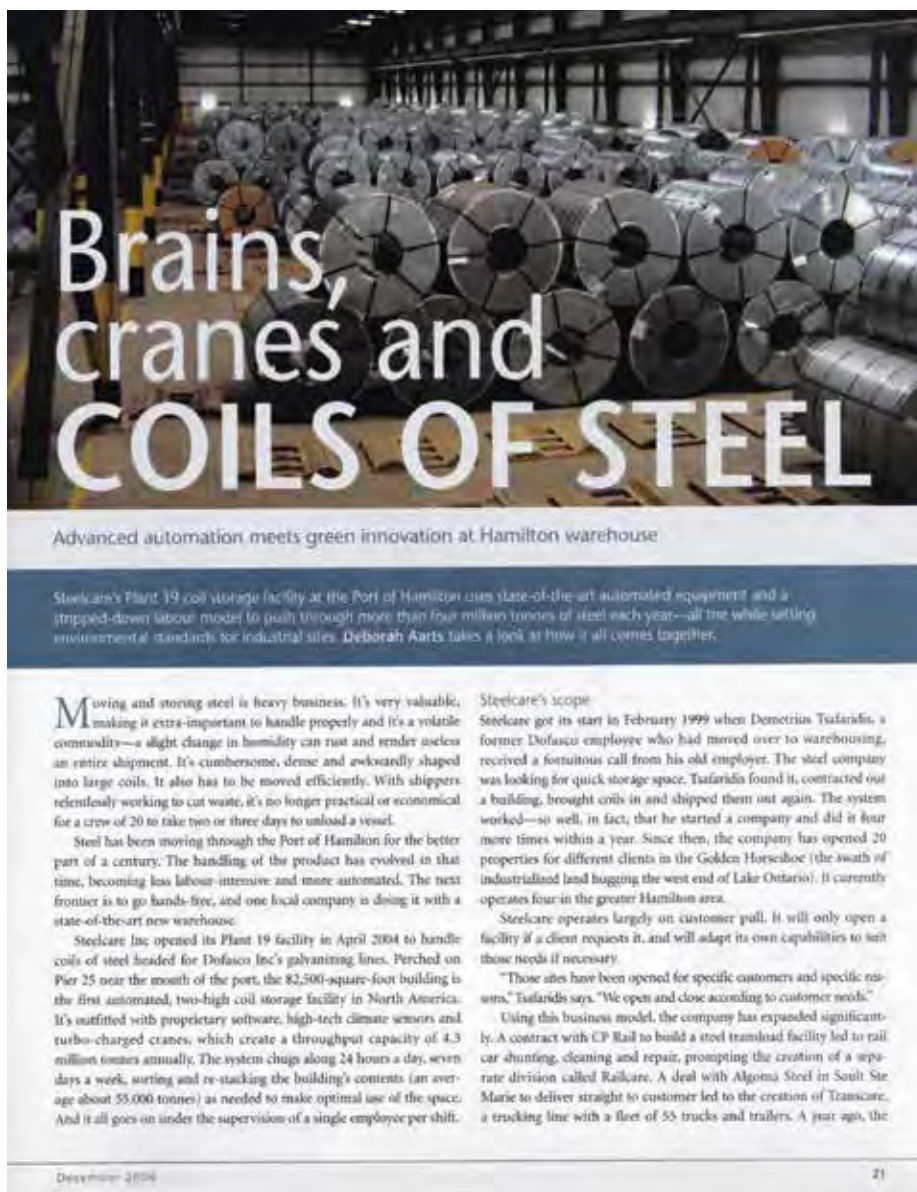
And a black panel that lines one of the building's exterior walls captures solar energy, which a fan pumps into the building through a giant white tube.

Fluorescent lights are on motion sensors, turning on only when required. And the roof catches rainwater that goes into a cistern which flushes



PAUL HOURIGAN, THE HAMILTON SPECTATOR
Steelcare president Demetrius Tsafaridis' pride and joy is his new \$5.5 million plant on Eastport Drive.

The Hamilton Spectator, 2004



Canadian Sailings Magazine, December, 2006

day is unusual. The energy-efficient qualities of P19 were impressive. Union Gas contacted Steelcare convinced there was something wrong because the plant's costs for heating were so low.

But the buzz about Plant 19 was somewhat offset by negative comments and disbelief about the technology. The CEO of a potential client company toured the facility in 2005 and after viewing the robotics, began looking around for crane operators. With more than a note of suspicion, he asked Demetrius, "Ok, where have you hidden the crane operators with the [manually operated] crane boxes, because this doesn't happen. It's not possible."

"From a technology point of view and from what it could provide the company as a whole, it was brilliant. But people viewed the technology with skepticism, not only external people but also some of our own operators and staff" – Martin Boni

Plant 19 was ahead of its time and certainly the steel industry didn't appear ready to hear about it. So Steelcare kept its automation and optimization technology to itself and went on running Plant 19 efficiently but quietly.

In 2006, Steelcare underwent a branding exercise to segregate the various facets of the company. Steelcare, Railcare, Transcare and Careport all became their own divisions under CareGo Holdings as a parent company – this was the first time the name CareGo was used. Individual logos were developed for the companies; the most public one being the stork holding a coil of steel, emblazoned on the side of the Transcare trucks. Later offshoots were Green Age Design, a green energy consulting company headed by Bob Edwards, and Carelynx as the information technology division.

Carelynx was run by Peter Christopoulos, a marketing and sales

expert in the field of technology, and Martin Boni, now the bona fide in-house "propeller head" as Demetrius fondly called him. Carelynx was advertised as an IT consulting firm specializing in network services, custom programming, website design and more.

Peter's extensive contacts got Carelynx hired by companies like WSI and Scotia Bank Canada, and the company grew to a team of 23 technicians. The consulting angle proved to be a success; businesses were always trying to reinvent and adapt themselves technologically – that is, until they started going out of business. The economic crash in fall 2008 made Carelynx, and many of the other company ventures, come to a grinding halt. ➤

resident Demetrios Tscharidze says Stalco can't go ahead with a southern, \$7-million steel bending plant until

Steelcare puts brak on Alabama growth

Could cut
14 days from
rail trip west,
CareGo says:

BY MARIO POWELL

Part 3 Tough times & new ideas



UTAH'S FIRST & FAVORITE STATEWIDE
ALCOHOLIC

Steel giants' cuts have

Transport, storage companies also feeling the

Any kind of
... spending

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Part 3, Chapter 1: Reversal of Growth

Following the success of the branding exercise, everything inside the CareGo group of companies was going smoothly. The company had a strong first quarter in 2008, echoing Canada's robust steel market, but half way through the second quarter some wrinkles began appearing in the United States steel market.

"The steel industry typically gives you signals about six months in advance of a downturn. And having lived through a couple of downward steel cycles in my days at Dofasco and also with Steelcare, I started getting nervous about where the markets were going. So we started battening down the hatches"

– Demetrius Tsafaridis

When recession struck the world economy in the fall of 2008, the impact on the steel markets was profound. Customers were no longer looking to store goods; they were only looking for a way to sell what they had to offset the loss of production. The focus of every business at the time was simply to survive. This new reality brought the need for supply chain logistics to a screeching halt. CareGo began seeing more steel being moved out of its facilities than loads coming in. The need for operations staff began to fall as there was less work to be done. Plant 6 cut back its hours of operation from 24/7 to 12/5, adding extra time only when workload demanded it – which was a rare occurrence.

The market meltdown had a ripple effect: customers pulled back their production and storage, CareGo dialed back its hours of operation and ultimately this meant reducing the number of facilities.

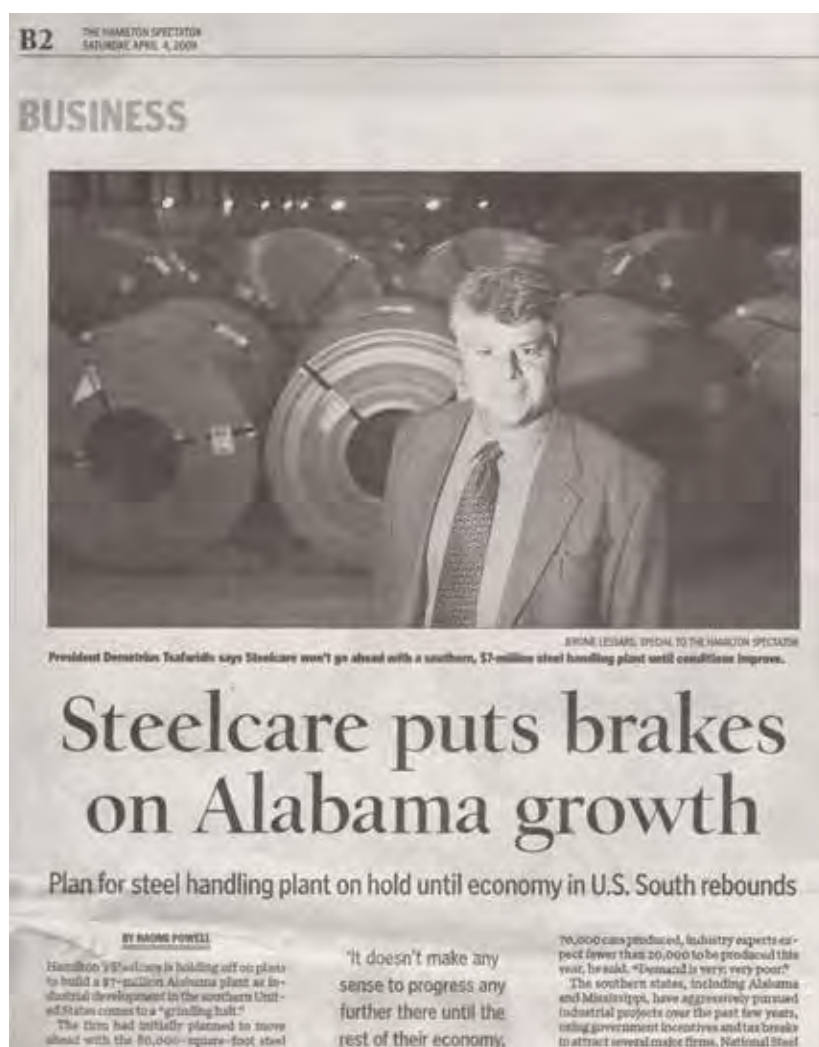
"Customers were stopping dead in their tracks. Dofasco surprised us with not renewing our Plant 19 contract so we went from being full in December 2008 to being empty in January 2009"– Demetrius Tsafaridis

It was a difficult moment in CareGo's history: Plant 19 went from being a high-profile and innovative "crown jewel" to a white elephant. When Dofasco suddenly decided to pull its

product out of the facility, and with no other customers looking for space, CareGo was shackled with a state-of-the-art facility that no-one wanted. Shortly after removing the last of Dofasco's products, Plant 19 ceased operation and officially closed its doors. The "lights out" facility was now truly in darkness and the automated cranes sat dormant.

After closing Plant 19, CareGo's main motivation was to find its own way to survive. If customers were pulling products to sell in order to keep their businesses afloat, CareGo would follow suit. Being a company that provided a service, it had few assets to liquidate, but three of the six cranes at Plant 6 were taken down, dismantled, and sold to a broker who would eventually sell them into the United States. With

continued...



The Hamilton Spectator, April, 2009

Steel giants' cuts have broad impact

Transport, storage companies also feeling ripple effect of auto sector downturn

BY NAOMI POWELL

Heavy production cuts at Arcelor-Mittal Dofasco and U.S. Steel Canada are hitting businesses beyond the plant gates as the flow of steel dries up and contract work is slashed.

The city's steel giants rely on outside firms to store and transport steel, and to perform maintenance on plant buildings and machinery.

But with global demand in freefall, both companies have rolled back steel production and reassigned much of their contract work to permanent staff.

"Any kind of discretionary spending, we are keeping an extremely close eye on," said Dofasco spokesperson Larry Meyer. "Anything the contract workers did that we can do, we now have the time and the staff to do it."

On a typical day, U.S. Steel Canada might have up to 600 contract employees working at its Hamilton operations. But, with the plant's blast furnace shut down, most of those workers are gone.

"Work at both plants has slowed down significantly," said Larry Demchuk, president of Hamilton's Aggressive Multi Trades.

Demchuk usually has 50 employees — about half of his staff — devoted to roofing, mechanical and electrical work at U.S. Steel Canada. These days, there is enough work for only 10 to 20 workers. "It's not totally dismal, but it's definitely down." The rapid decline follows a block-

"Any kind of discretionary spending, we are keeping an extremely close eye on."

— Larry Meyer, Dofasco

buster summer that saw both U.S. Steel Canada and Arcelor-Mittal Dofasco churn out steel at record rates. But the global economic crisis has crippled demand for the alloy. Buyers are struggling to secure credit, and key auto customers such as General Motors are warning of a possible collapse.

Steelmakers have responded by slowing down — U.S. Steel Canada will extend its blast furnace shut-down into the new year, while Arcelor-Mittal Dofasco will reduce production by at least 40 per cent and halt all steelmaking for two weeks over Christmas.

For Demetrius Tsafarikis, who stores and transports steel for Dofasco, the cuts have meant a 40 per cent decline in trucking volumes since July.

Though he is still moving steel by rail for Sault Ste Marie's Algoma Steel, it is at a reduced rate.

"The whole southern Ontario picture is now a big question mark," said Tsafarikis, president of Hamilton's Transcare. "The ripple

effect from the auto industry has really bitten the steel business hard. It's definitely had an impact on transport."

Volumes are also down at Federal Marine Terminals, a firm that stores and ships steel and raw materials. The amount of manganese handled at its facilities in Hamilton Harbour has fallen 30 to 40 per cent over the past year. Imports are also down and, though the company handled an unprecedented 300,000 tons of steel exports earlier in the year, that business has since vanished.

"It's slow, it's very slow and we're looking well into 2009 before things start to move again," said Mike Kirkpatrick, marketing director for Federal Marine Terminals. "That's not just on the steel side. The whole international side is dependent on credit so the financial markets have to sort themselves out before we anticipate cargo moving in the volumes we have traditionally seen."

The effect of the shutdowns will be less dramatic than it might have been in the early 1990s, when the city's economy was less diversified, said John Dolbec, CEO of the Hamilton Chamber of Commerce.

"Still, the steel mills are our two largest private sector employers in town," said Dolbec. "It's like sleeping with the proverbial elephant. If they sneeze, we catch a cold."

npowell@thespec.com
905-526-4620



CANADIAN PRESS FILE PHOTO

As the flow of steel dries up, contract work is slashed.

The Hamilton Spectator, November, 2008

business being so slow, the facility could manage to run with one crane per bay and use the profit from the sold cranes to supplement some facility costs.

After liquidating the assets came the grueling process of downsizing any non-essential functions within the companies. This resulted in a number of lay-offs in an attempt to "right size" the business; all were reluctantly done. Each branch within the family of companies was pruned back: truck drivers, IT consultants, crane operators and human resources people alike went out the door.

In April 2009 CareGo had three facilities: Plant 19 (now closed), Plant 20 (half empty) and Plant 6, which was

the only facility that was relatively busy. The crash of the economy left CareGo in a fragile state. Without a market upturn in the foreseeable future, the business they were in didn't look good. Demet had one option to save his company, using a method that had worked for him before — invent new ways to do business.

"When the markets are good, consulting work is great; when they aren't, everyone is trying to sustain. Consulting as a service couldn't sustain itself. So we pared back, and focused on our internal technology — the automation and optimization system that had powered Plant 19" — Martin Boni ➤

Part 3, Chapter 2: Expanding Services

Although the core of CareGo's business was hit pretty badly, an unexpected saviour rose up: Railcare. Once a puncture in an almost airtight operation, it now became their secret weapon.

"During the downturn, when a lot of people were not moving products, companies would take in their railcars for repair. It's like a big pit stop during an auto race. During 2009- 2010, Railcare was very busy doing repairs on fleets of cars. Railcar repair is rescission proof. When Steelcare got hit hard and Transcare got hit hard, Railcare was actually booming. The irony was, the company that was bleeding the parent turned around and supported the parent during the steel downturn for close to three years" – Demetrius Tsafaridis

While Railcare remained a lucrative asset, by mid 2009 the general economic downturn was deeply entrenched and "austerity" became the new buzzword for many businesses. This just confirmed Demetrius' belief that it was time to diversify and explore new areas of business.

In April 2009 an opportunity arose when Demet was contacted by Dwayne McKillop, the energetic young president of a production company that specialized in booking trade shows across southern Ontario.

Dwayne's call was to see if Demet knew of any space for rent in Hamilton that would suit the trade show environment. Demet not only knew of one, he had Plant 20 sitting mostly empty on Longwood Road. He suggested to Dwayne that he consider using a permanent location as a draw to book events in Hamilton. The giant Plant 20 warehouse, where Careport logistics had operated, had the huge truck bay doors that would allow for bigger shows – those involving recreational vehicles, mobile homes and boats – to be featured.

Dwayne McKillop saw the business opportunity too, and the two men formed an alliance. CareGo remained the sole lease holder of the warehouse but Demet became a silent partner in Dwayne's company, Continuum Productions. The last of the products stored in Plant 20 were moved down the road to Plant 6 and in July 2009, Plant 20 became "The Careport Center" under Continuum Productions. CareGo was able to get out of a lease obligation on this facility while regenerating the business with something new.

"It was a difficult time at CareGo. We had to downsize the business by getting rid of Careport and closing Plant 19, which was not fun. But it did force us again to come back and think 'how do you get unique?' in supply chain logistics" – Demetrius Tsafaridis.

Thinking of new ways to maximize empty space proved to be the spark for innovation, this time in the shipping container business. A shipping container, also known as an intermodal container, is a large steel box carried on ships and train cars and used for moving high value and fragile retail goods across long distances. In the depressed economy of 2009, it seemed that container trains were one of the few markets still generating regular work flow and were given priority by the Canadian railroads. Demetrius noticed the cross-country turn-around time for shipping containers going west to east was less than one week, while steel coils transported on boxcars took three weeks to go from Ontario to British Columbia.

"We learned that container trains come from the Port of Vancouver or other western Canadian ports fully loaded, and 70 per cent of those containers go back empty. So we decided if we can get steel coils into those empty boxes going back out to western Canada, we could make the railway more money, make the shipping company more money and save our customers money because of a cheaper logistics flow" – Demetrius Tsafaridis

The only problem was that shipping containers historically were not used for transporting massive steel coils due to the risk of shifting and derailment. But from CareGo's perspective, it wasn't a problem so much as an opportunity. Engineer Bob Edwards and Demet put their heads together and talked about how to capitalize on the container business. Bob and his team of engineers then designed a wooden skid, or pallet, that would equally distribute the weight of a coil across the base of a shipping container. In June 2009 the "Aurora Pallet" design was put to a successful test and was ready for distribution.

With its Greek goddess name, the Aurora looked like a giant wooden tic-tac-toe pattern. The horizontal pieces of wood were screwed in beneath the vertical pieces, creating a cradle in which the coil would sit. Most containers can hold

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from up to 65,000 pounds, but a coil pressing all its weight down in one spot would likely destroy the container and derail the train. There had been pallet designs before, most notably the "Holland Sled," which was made out of steel that was fused to the bottom of a train car. The sled couldn't be moved and didn't have a renewable quality, so it stayed specific to the container it was built into. The Aurora Pallet could be adapted to any intermodal container that fit its measurements.

In keeping with Bob's environmentally-friendly philosophy, the Aurora pallet is inexpensive to build and maintain, can be re-used multiple times and eventually recycled. It was easy to stack, so when it was time to return the pallets from western Canada, 40 of them could fit into a standard shipping container.

Just as the Aurora pallet was ready for marketing, a new face joined the company. Walter Krancevic was a Quebec-born

logistics veteran working in international freight forwarding for more than 25 years in Toronto and Calgary. He met Demetrius in the summer of 2009 after being introduced by a mutual friend and business associate, and within a few weeks joined the company as Vice President, Sales and Marketing.

"Logistics in industry rarely has the attention of executive management. Companies view it as a cost. The process of your product getting from your factory, to your ultimate customer's hand, is something that has to be invested in. Our challenge was to convince companies that logistics can be made to create value. The Aurora pallet was a good example of that"

— Walter Krancevic

The Aurora pallet became a hit. Customers who needed to ship coils across the country were able to reduce their operations costs and times. VicWest Steel, a long-time customer of CareGo, used this method of transportation so much it led CareGo to revisit its old method of pop-up

A12 THE HAMILTON SPECTATOR
TUESDAY, OCTOBER 13, 2009

BUSINESS Aviva Boxer, editor, aboxer@thespec.com or 905-526-3235

U.S. health care would cost more, insurers say

WASHINGTON • U.S. insurance companies aren't playing nice any more on the health-care overhaul. The industry put out a report yesterday concluding that the Senate's health-care legislation would drive up costs to consumers, delivering a dire message at a crucial point in the debate and potentially threatening President Barack Obama's top domestic priority.

The White House and congressional Democrats dismissed the late-in-coming message as a "hatchet job." But it put them and their allies on the defensive a day ahead of a pivotal vote in the Senate finance committee on sweeping legislation that aims to achieve Obama's goals of extending coverage to the uninsured and curtailing spiralling medical costs.

The study commissioned by America's Health Insurance Plans marked a shift in strategy by the industry, which had been working for months behind the scenes to help shape health-care legislation. With the Senate panel set to vote on legislation the industry fears could result in a loss of revenue, the insurers went on the attack.

Late Sunday, AHIP sent out a new accounting firm study that projects the legislation would add \$1,700 U.S. a year to the cost of family coverage in 2013, when most of the bill's provisions would be in effect.

The Associated Press

Most U.S. economists

Device speeds steel delivery

Could cut 14 days from rail trip west, CareGo says

BY KAGNI POWELL

Hamilton's CareGo has built a device it says will dramatically reduce the time it takes to ship steel by rail. The specially engineered rail pallet could shave up to 14 days off delivery times to Western Canada, the company says.

"Everybody wants things faster," said Walter Krancevic, vice-president of sales and marketing at CareGo. "You have to figure out how to get around the challenges to that. It doesn't serve anyone's purpose to have steel sitting on a boxcar somewhere in Grand Prairie."

Getting steel coils off the boxcars and onto faster-moving intermodal containers is the idea behind the specially engineered pallet.

Sending a product to Western Canada can take up to three weeks on traditional railcars, and railroads provide only an approximate arrival date, Krancevic says.

Intermodal containers, which move everything from grain to consumer goods, deliver products within a week and also provide a

the economic downturn put the brakes on a planned expansion into Alabama.

The firm had hoped to build a \$7-million steel handling facility in the Deep South, in part to service a nearby railcar plant constructed by National Industries, the parent company of Hamilton's National Steel Car.

"Certainly Western Canada has a lot more capital projects," said Krancevic. "Capital projects aren't things you can start and stop, to a certain extent. They have a certain momentum."

CareGo is the parent firm for a cluster of businesses that grew out of Steelcare, the company best known for its innovative steel storage facility on Hamilton's Pier 21.

The economic downturn has caused the steel market to collapse, putting pressure on steel mills and the companies that service them. With production down, Plant 19 is currently closed.

"Some of our businesses are doing better than others," said owner Demetrius Tsafaridis. "The Steelcare group has been hit the hardest. So we're struggling to figure out that one. But the rest of them are not too bad."

Though CareGo's roots are in steel, the company also has a supply-chain management firm, an environmental building design company and an information technology arm.



The Hamilton Spectator, October, 2009

facilities. VicWest had a mill in Winnipeg, Manitoba that required transportation as well as storage. CareGo found a small 20,000 square foot facility in Winnipeg's industrial area and sent Jeff Johnson, a trusted staff member, out to run it in July 2009. The system worked like a relay: The coils were loaded on Aurora pallets in Hamilton by CareGo staff, shipped across the country to Winnipeg and unloaded by trained CareGo staff in Winnipeg for storage.

Building the pallets worked in CareGo's favour for many reasons. Not only was it a lucrative business venture that worked very well on very little but it also gave new life to the shuttered Plant 19 facility. With Plant 6 now full of products from the newly dissolved Careport, a place to build and ship the palletized coils was needed. Bob and his design team quickly came up with blueprints to cut four giant truck doors in the north side of Plant 19, making it easy for trucks

to access the facility. One of the empty storage bays was used as a location to build the pallets and the awaiting coils from VicWest Steel were stored in the other bay.

The creation of the Aurora pallet (followed later by the Artemis and Cynthia pallets as variation on a theme) was a defining moment in CareGo's survival of the economic downturn. It also signaled a dramatic shift in the company's focus, confirmed in 2013 when the pallet was awarded CareGo's first patent.

"That was the beginning of the shift in the business from being just pure storage to focusing on technology. We began to realize it's a struggle doing all the legwork; what we should be doing is looking at how we make the whole function of distribution, storage and supply chain more efficient. And that's when we shifted our focus more to the engineering technology side of the house" – Demetrius Tsafaridis ➤



This Artemis is a thing of beauty

Hamilton coil mover awarded patent for innovative pallet

STEVE ARNOLD
The Hamilton Spectator

A Hamilton company's invention promises to change the way large steel coils are moved around the world.

Artemis is a reimagined wooden pallet that will allow steel and aluminium coils to be moved by freight container rather than on truck beds. The new design, created by engineers at Hamilton-based CareGo, keeps the coils from shifting while they're being moved.

CareGo CEO Demetrius Tsafaridis said containers haven't been used extensively for



years of protection on the actual design and opening the chance for the pallet itself to be

mythology. The names alternate between males and females but so far only the god-

With a lot of engineering and materials knowledge, a new pallet has been designed by CareGo that allows stable transport by shipping container. The awarding of an American patent gives a great deal of credibility and CN and CP are already on board.

The Hamilton Spectator, November, 2013

Part 4 CareGo the innovators



Part 4, Chapter 1: Beginning the Future

The success of the Aurora pallet garnered some media attention from local and trade publications and Plant 19, though shuttered, continued to draw interest. Logistics Magazine profiled Plant 19 in its late 2009 issue, focusing on how the company was able to create an entire facility based on its knowledge of steel logistics. In early 2010, Hamilton's Chamber of Commerce published a magazine article titled "Switching Gears" about CareGo's survival tactics during the recession, and included this description of Plant 19:

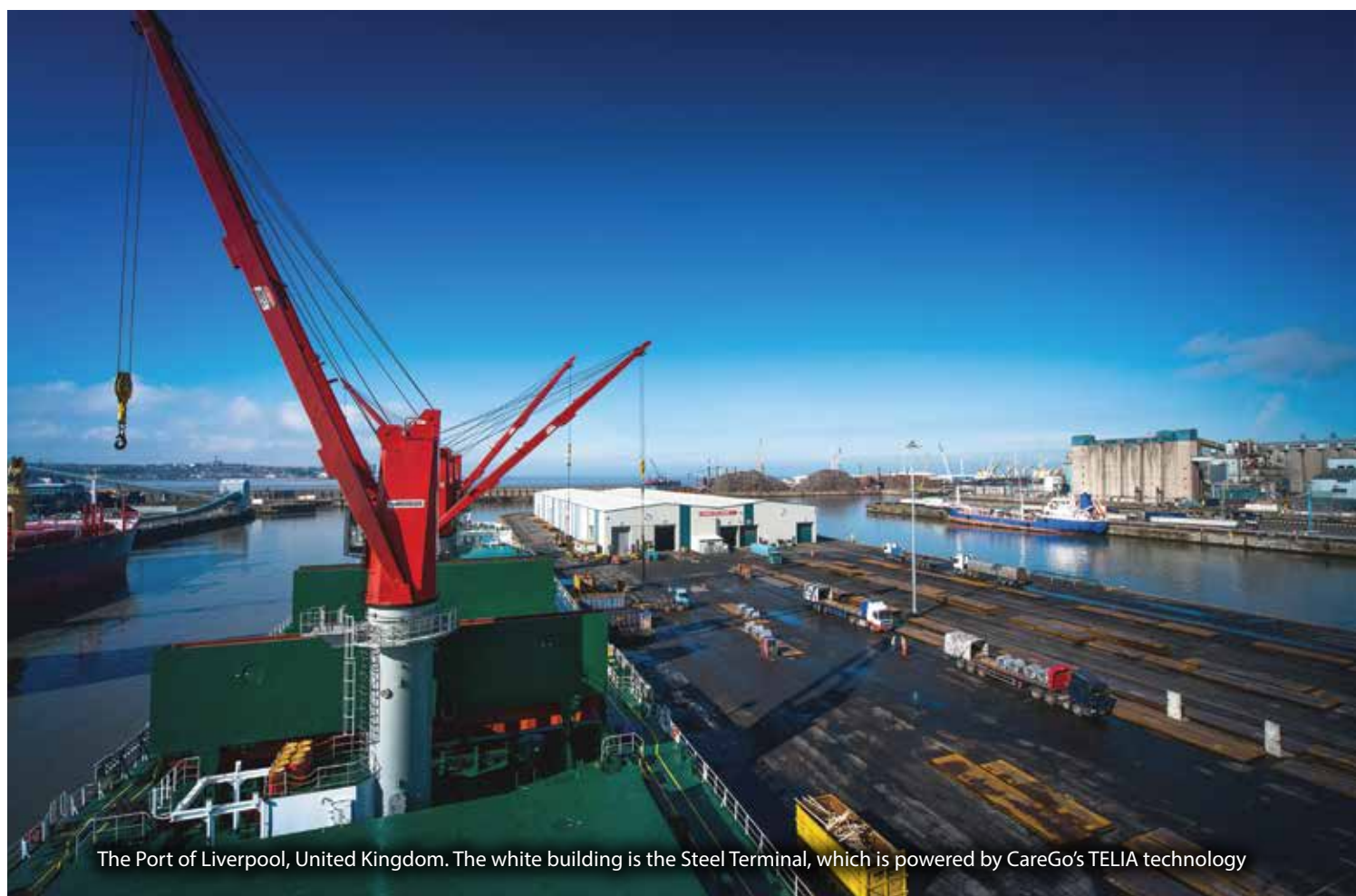
"Although it now sits dormant, the facility [Plant 19] utilized automated cranes and a sophisticated computer modeling system to ensure warehouse space is used optimally. It is so advanced, it requires only one employee per shift to run the operation" - Panorama

As the economy turned around and the steel markets began a slow comeback, CareGo was attracting some attention for having survived the downturn without cataclysmic cutbacks. Demetrius joined a group of industry CEOs, convened by McMaster University, to share experiences and best practices.

"At no point did I ever think, and it's just the way I am, that we were going to go down. It was more, 'we definitely have to regroup, we definitely have to change who we are', but even though we were bleeding money, fast, I never once thought that we were throwing in the towel" – Demetrius Tsafaridis

Demet's inherent optimism and his determination to change the direction of the company put him in good stead even while the recession was grinding along. He was invited by ArcelorMittal Dofasco to participate in a gathering of

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The Port of Liverpool, United Kingdom. The white building is the Steel Terminal, which is powered by CareGo's TELIA technology

shipping industry executives in the Netherlands in mid-2009. It was an opportunity to promote CareGo's innovation and efficiencies achieved as a company specializing in steel logistics. Demetrius made a presentation, including a video about Plant 19 and how it was adapted from the original covered terminal idea known as Tyche.

It was a high point in the midst of a tough year: The technology once met with confusion and skepticism became the talk of the gathering. It was also an “aha” moment for Demet when he realized that CareGo could actually sell its proprietary technology to others. A steel industry executive affiliated with the Eastern Ports in England buttonholed Demet after his presentation to ask more questions about Plant 19 and how it worked. Demetrius invited him to come for a tour if he were ever in Ontario, not thinking that he ever would.

To Demet's surprise, the same executive contacted him while in Ontario on a family vacation in the summer of 2010. The two men met at Plant 19 for a prolonged tour and conversation, after which there seemed to be no doubt CareGo's technology could greatly influence the UK steel warehousing industry.

“So that began the process of us doing some market research on the UK and looking at the possibility of selling our technologies overseas. We found there were facilities looking for the type of warehouse we could create, with environmental controls for automotive-quality steel and all the automation and optimization tools to ensure the place ran efficiently” – Demetrius Tsafaridis

With this new business idea buzzing in Demet's brain, he and other members of the CareGo team, including his son, Dante, a recent business school graduate, spent considerable time pursuing how to make it happen. The frame of reference was simple: Find facilities in the UK that closely resembled the business model they developed for the Port of Hamilton in 2004 during the build for Plant 19. Facilities with a need for quick product turnaround, a precise inventory system and better use of space would all benefit from CareGo's technology. After a few months of intense focus on all the shipping ports of the UK, the Port of Liverpool, operated by umbrella company Peel Ports, was deemed to be the most receptive to CareGo's technology.

“They had a space problem. That was the key reason Peel Ports came to look at [Plant 19] because they had all their coils in a single layer on the ground and they ran out of space. Everything

was mixed up or dirty and they couldn't find things, making their workflow slower than it should be” – Dante Tsafaridis

Peel Ports was planning to deal with its space problem by building a new steel terminal until CareGo proposed that optimization technology could solve the problem without the need for new real estate. Intrigued, executives from Peel Ports travelled to Hamilton to tour Plant 19 where they were mesmerized by the meticulous accuracy of the automation. They saw how coils stacked on top of each other maximized the amount of space in the facility, while the robotic crane had the coil orders built into it through a software management system, ensuring precise inventory control. And they saw the potential for their own facility in Liverpool.

With the Peel Ports leaders on board – at least in principle – the process began to develop a contract and the parameters of the work to be done.

“Martin and I spent several trips talking to staff about the types of coils, parameters, how they change, how fast they receive them, what the procedures were, etc. We had to learn all of the angles we were going to design our automation around” – Bob Edwards

Bob, Martin and Demetrius all found themselves travelling back and forth between Hamilton and Liverpool trying to finalize the sale of the optimization and automation technology. There were hurdles involved: CareGo had never sold its automation technology before and they were learning on the fly. The Brits were open about preferring to do business with a British or at least a European company – but found there were none offering the type of technology CareGo had. There were legal issues galore. All in, the process was glacial.

“When you're selling something to your customer, you have to guide them through it. You have to demonstrate the benefits, show changes to the facility, then write up an agreement showing the performance guarantees. But it was totally new territory, we were creating all these things for the first time and figuring it out as we went along” – Walter Krancevic

“There was a long time where they were courting us and we were courting them, and just going back and forth and back and forth. There were some good dollars spent getting us to the point where we could formalize a deal” – Martin Boni

Negotiations began in 2011 and continued through all of 2012. The process was time-consuming, expensive, and at times a nuisance. Finally Peel Ports and CareGo were able



A three-high stack of coils at the Liverpool Steel Terminal

to reach an agreement and in December 2012, news releases were issued by both parties to announce the deal.

Now the hard work of the installation was underway. All seven components of CareGo's optimization technology were being installed at the Port of Liverpool's steel terminal and with a project of that magnitude, glitches were inevitable.

"There was the euphoria of signing the deal – it was great when we finally got a contract, we got a deposit and we got started. Then there was a lull period because it takes time, especially with the purchase of new cranes, and there are bound to be hiccups" – Demetrius Tsafaridis

The CareGo team continued crisscrossing the Atlantic on a semi-regular basis to stickhandle their way through problems that arose; several staff members stayed in Liverpool for months at a time to oversee the installation and training of port staff on how to use an automated system.

Mid-way through the installation, Peel Ports halted the procedure to empty two vessels' worth of steel into their

facility. CareGo had to stop the implementation and switch the cranes back to manual handling during the unloading process. This particular hiccup lasted for six weeks, trying the patience of everyone involved. But by June 2013, the installation was complete.

"Once it's completely finished and up and running, it's great because you get to see the look on your client's face when you're doing a final tour of the facility, and then you go out for dinner after to celebrate. It's great because the client finally gets to see their purchase, the result of their leap of faith, and because the technology is completely different than anything they have seen" – Demetrius Tsafaridis

Liverpool was a landmark project. Now CareGo could demonstrate that storing steel was no longer the company's chief strength – developing high-end optimization technology was the new focus. ➤

Part 4, Chapter 2: Re-brand and Re-focus

While the Liverpool project was unfolding, Demetrius realized the transition of his company from steel storage to technology would need to be accompanied by a serious effort at re-branding. His board members – the company’s other shareholders – commented that the multiple companies, each with their own name and logo, made for a fragmented approach to marketing. Meanwhile, over in England, the Peel Ports group knew the company simply as “CareGo.” The time seemed right for a fresh look at the company’s brand and identification.

Demetrius met Cynthia Janzen, a public relations consultant at local agency Hellingman Communications, in 2010 while he was vice chair of the Hamilton Chamber of Commerce. Cynthia led some planning sessions for the Chamber’s board that year, and in spring 2011, helped Demet with his speech when he was sworn in as the Chamber’s board chair.

“Demet asked me to meet with him to talk about a branding process for his companies. I went online, looked at the ‘CareGo Innovative Solutions’ website and I was pretty puzzled. Part of it was my unfamiliarity with the steel logistics industry but it was also the web site itself and the six different companies it represented. I was trying to understand what business they were in, but of course that’s why the branding project was needed” – Cynthia Janzen

CareGo hired Hellingman Communications to handle the re-branding process with Cynthia at the head of the project. She spent the spring touring CareGo facilities and getting a basic understanding of the business, under the wing of Walter Krancevic. A staff engagement session was held to determine the company’s core strengths and values, and customers were surveyed. By early September, Cynthia gave Demetrius a set of recommendations to consider, but his

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time was pulled by the Liverpool project and the re-branding exercise went dormant for a while.

In winter 2012 re-branding got back on the radar, this time with a new participant. David Jenkins, a tall and lanky business valuation expert, had joined the company as Chief Operating Officer. Dave had known Demetrius for many years and was even part of the CareGo board; now he was seeing the company from the inside out.

“I was a little frustrated with the long delay and worried about how a new player coming in at the 11th hour might affect the project. But Dave’s arrival was the best thing that could have happened because his influence led to the re-branding being cleaner than it otherwise would have been. Where I was recommending a phased-in approach to letting go of old company names, out of deference to Demet’s sensibilities, Dave built agreement for the single company name – CareGo”
– Cynthia Janzen

Cynthia suggested the tagline “the innovators” because innovation was the core strength that stood out for CareGo based on the research done. Hellingman’s graphic artist developed the new logo and it was swiftly approved. After more than one year of work, everything seemed to be falling in place. However that wasn’t without the occasional case of cold feet from the president.

“Demetrius had his moments – the companies were like his babies, he had built them up, one by one, and now I was sailing in to dismantle everything, or so it seemed” – Cynthia Janzen

The new “CareGo the innovators” brand was launched in May 2012 after a final, tempestuous meeting with many last-minute changes to the news release and related documents. A notification process for clients, community contacts, media and others was implemented. The new logo was now officially in use, although it took time to funnel the changes all the way through this company that was used to being many different companies. One of the first and most obvious changes was that the truck trailer tarps began being changed from Transcare, with the logo of the stork holding a coil of steel in a sling, to a gigantic new CareGo the innovators logo.

“It gave me a thrill every time I saw those trucks driving through the city or on the highway. That’s when I realized how attached I was becoming to the company” – Cynthia Janzen

A new web site, www.carego.com, was launched in fall 2012, followed by new marketing materials and more. Cynthia began attending the Monday morning marketing meetings, where senior staff reviewed current opportunities and strategies. By summer 2013 it was clear that the newly re-branded company was moving from strength to strength, and that permanent communications leadership was needed. Demetrius created the position of Vice President, Communications and Cynthia joined the CareGo team full-time in October 2013. ➤

Part 4, Chapter 3: CareGo Distribution and CareGo Technology

The re-brand of the multiple companies under the name CareGo (the innovators) took some time to take root, especially locally. While international business contacts knew the company only as CareGo, “Steelcare” was still a powerful and well-known name around Hamilton. To a lesser degree, so was Transcare, while the newer off-shoots, Carelynx and Green Age Design, were never as well known.

Internally, staff members continued to identify with the “legacy” company name they’d worked within and new staff asked for guidance on the use of old names versus new. It seemed some further clarity was needed. In late 2013 the company’s new Strategic Plan identified optimization and automation technology as the primary business, complemented by a distribution facility (Plant 6) that would serve as a research and development site for ongoing innovation. Indeed, there was no question that CareGo’s high-tech abilities paired with the experience of operating storage and distribution facilities gave CareGo a unique marketing position.

“It’s not a technology company coming in and talking tech. We know the steel industry so we know how to speak their language about what they need” – Martin Boni

In January 2014 it was agreed CareGoTechnology and CareGo Distribution would be known as two major divisions within the company, but both would be marketed through the overall CareGo the innovators brand.

Distribution was the side of CareGo that continued to handle the physical logistics business that existed from the company’s earliest days: transloading (moving material from rail to truck), truck transportation of steel with the CareGo fleet, material handling and storage at plants 6 and 19. CareGo Distribution was the part of the business that stayed consistent, the part of the company that customers knew about and had come to trust over the years.

CareGo Technology was the newbie, focused on optimization and automation technology for metal facilities and distribution centres. Under its wings were staff from the former Carelynx and Green Age Design, now gathered in a single location at a new office in north Burlington. Unlike Plant 6, there were no trains rumbling through the building and no need for hard hats and reflective vests; this was a typical high-rise office environment with pods and cubicles. Before long the Burlington office was jammed with new staff hired to support the growing Technology business.

While CareGo Distribution was an extension of what the company had become famous for, CareGo Technology was the hot new offering. As with the name change, telling the technology story locally was more challenging than telling it abroad.



Demetrius and Glenn Nicholson view live data from the Liverpool Steel Terminal

“The joke was, in many cases people with steel services centers and the mills locally in Hamilton still viewed us as a warehousing business, not realizing that we were capable of developing this kind of technology. After the Liverpool installation they started asking questions and talking to us about possibly using the technology locally” – Demetrius Tsafaridis

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Another customer for CareGo's optimization technology was indeed local – or almost. Welded Tube of Canada Corporation was a pipe and tube manufacturer based in Concord, just north of Toronto. Unlike the Liverpool project, this contract moved forward with lightning speed, comparatively – in just six months the deal was signed for CareGo to automate all four bays of Welded's distribution centre.



CareGo's Plant 6 is Canada's largest steel transload facility

Requests for quotes and new contacts continued to flow in from around the world. From mid-2013 through early 2014, Demetrius made trips to Spain, India, Germany, Mexico and the United Kingdom to meet with prospective customers and pitch CareGo's unique technology, while other staff ventured as far as Australia. Meanwhile, Martin and Bob, with their respective teams, worked on new ways to adapt the technology to any industrial setting.

"Since Plant 19 was developed, I've always said it doesn't matter what the commodity is, there is a material handling device out there that we can automate. Every device that handles a product can be adapted by our software. It's all about customization" – Bob Edwards

"In 2014, we're in an improvement mode. We're looking at ways to adapt and refine the technology that will give us the next logical step or the next logical improvement and allow us to stay ahead of the curve" – Martin Boni

The momentum was furthered in spring 2014 with the creation of the brand name TELIA for the optimization technology. Until then it had been referred to simply as "the CareGo system" but everyone agreed it needed something more memorable. TELIA is the Greek word for perfection in the sense of being complete, lacking nothing.

With CareGo Distribution still holding the fort at Plant 6, and CareGo Technology creating new ways to automate the process, everything seemed to be running a lot more clearly and quickly than it ever had. There was, however, one of CareGo's entities that just wasn't making a lot of sense at the moment. With a technology arm and a distribution arm, the company didn't have room for a third arm in railcar repair.

At the December 2013 board meeting, the decision was made to put Railcare up for sale after 12 years of ownership. In early 2014 an American-based regional freight operator called Genesee & Wyoming Inc. expressed interest in purchasing Railcare. After several meetings and a few tours, the two companies were able to finalize a deal and CareGo sold Railcare on April 30th 2014.

"This was a business that we spun off from Steelcare in our early days and 12 years later we've grown it to a point where it was doing really well for us, but we were no longer focused on it strategically. For me it was finding the right buyer that would take care of all the employees we had in the facility. In the end it was a win for the employees, a win for the company that bought it, and it has been a win for

us because we were able to materialize on that sale"

– Demetrius Tsafaridis

Although there was some sentiment in saying goodbye to a company that had been part of the CareGo family for a dozen years, including surviving the economic rollercoaster of 2008/2009, there was no time to shed tears. Railcare's sale was an essential building block for the future of the company; in fact, Railcare helped finance the sale of optimization technology to one of CareGo's most important customers: themselves. ➤

An ad for CareGo technology, *American Metals Magazine*, June 2014

Part 4, Chapter 4: Living Lab

After saying goodbye to Railcare in April 2014, CareGo's focus shifted towards the installation of the TELIA technology at Welded Tube.

The project was both a landmark case and uniquely challenging because it was CareGo's first application of its technology for a commodity other than steel coils. The programming "language" would have to be re-written for the loading, storing, retrieval and inventory of bundled pipe. While there was never any question it could be done, weeks were spent testing it in computer simulations prior to the installation.

When the installation at Welded Tube began, it was intense. Many late nights were spent reworking workflows and testing crane magnets, while rewriting code block after code block. Reminiscent of the birth of Plant 19, one programmer even slept in his car at Welded Tube's parking lot in Concord before facing another 12-hour day inputting the technology. The Welded Tube project was successfully completed in summer 2014, bringing the four-bay distribution centre to the highest level of efficiency and productivity.

Meanwhile, a parallel project was much closer to home: Plant 6, the company headquarters at Longwood and Aberdeen, was now in line for automation.

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One of four automated cranes is installed in April 2014 at Welded Tube of Canada Corporation

Perhaps it was a case of “shoemakers’ wives going barefoot” but the automation of its own distribution hub hadn’t been on CareGo’s radar until quoting a similar project in the United Kingdom in 2013.

“They (TATA Steel) had a rail-based facility and we wanted their shop to be the first one to be automated. Although those talks stalled, the knowledge we gained from quoting a rail facility made us think, ‘well, why don’t we bring this back to our own place?’ We have Canada’s largest transload facility, now we wanted the largest automated, transload facility”
– Demetrius Tsafaridis

The project quickly became bigger than simply bringing the TELIA technology on board. Demet knew the value of showing Plant 19 to potential customers and he saw the opportunity to make Plant 6 their new best “salesperson.” Plant 19 was not only becoming dated, it was only automated for coils. The vision for the new Plant 6 was a facility where the latest technology for coil, long product and even steel plate could be showcased.

In December 2013, along with agreement to put Railcare on the market, CareGo’s board gave the green light to automating Plant 6, with a completion time of late summer 2014.

“Automating Plant 6 serves two purposes: It becomes a living lab for the technology, but it also improves our throughput and our productivity on the distribution side”– Demetrius Tsafaridis

Despite being deep into two automation projects, the pace of business development didn’t slow down at CareGo in its 15th year. After looking at market trends, the executive team at CareGo realized that TELIA has many potential homes in the United States, and they’re confident of finding their next big sale south of the border. Demetrius, Dave Jenkins and Walter Krancevic spent a significant amount of time in the United States in 2014, where more than a dozen facilities were toured during lengthy road trips.

“The United States is a big market that has a lot of steel players. Just as we did in the United Kingdom, we’re trying to develop relationships. We had a couple of folks come up here after loving what they saw on the website with the videos we made regarding the automation. These facility executives realize I have a steel background and I am not a systems guy; it is all about improving productivity and throughput. At the end of the day, we have always been selling efficiency”
– Demetrius Tsafaridis

CareGo marked its 15th year as a company by selling its most long-standing and successful subsidiary, tightening its strategic focus and completing two large-scale automation installations. ➤



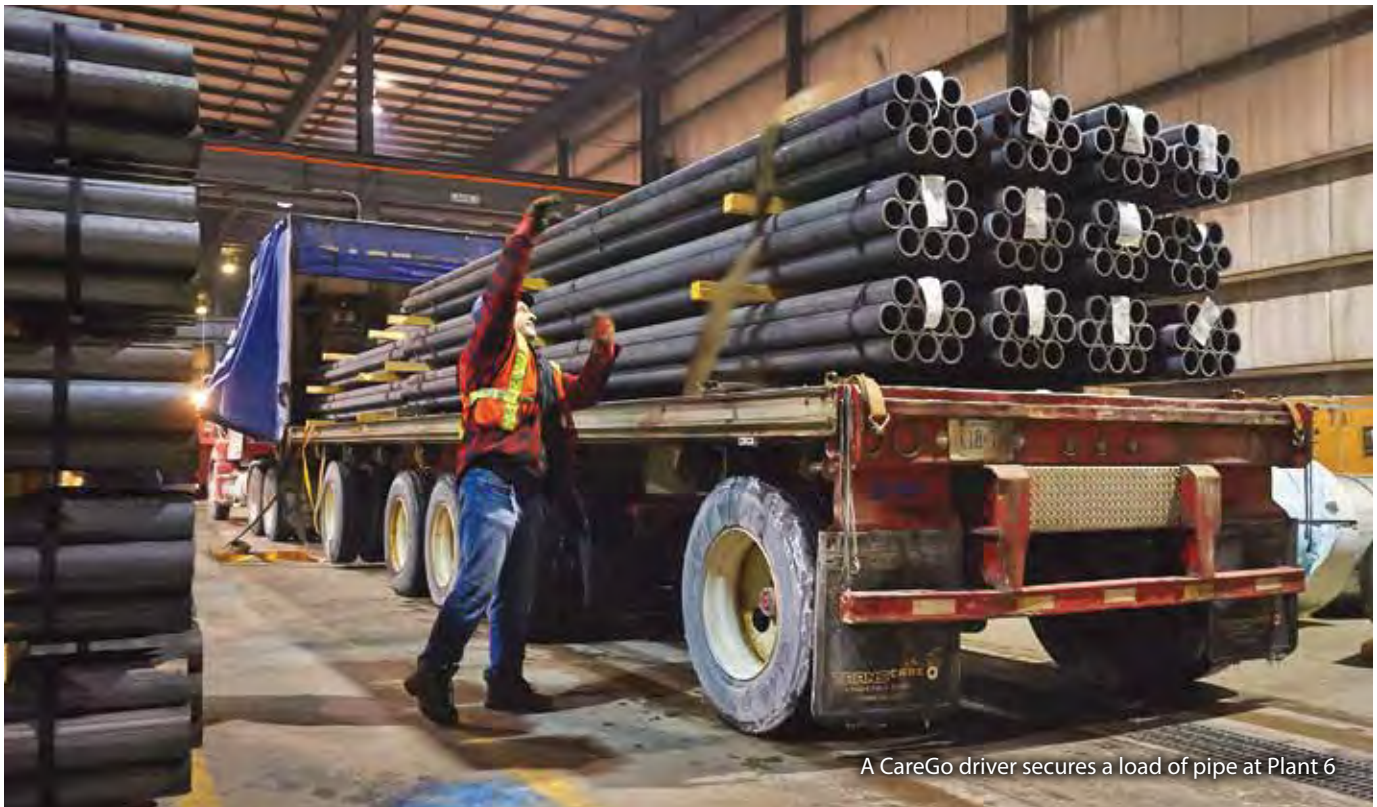
A rainbow arcs over the Plant 6 property in summer 2014



Epilogue A bright future



Demetrius holds the logo for TELIA, the new name for CareGo's optimization technology



A CareGo driver secures a load of pipe at Plant 6

Epilogue: A Bright Future

In summer 2014, as we finish this anniversary book, we're in the midst of a great transition, probably the biggest one since the company was formed 15 years ago. From the birth of Steelcare in 1999, when we were an operator of steel warehouses, we've evolved to become specialists in optimization technology for facilities storing or distributing steel and other heavy products. Today our name is CareGo and we're known as the innovators.

We've grown from serving local mills and service centres to seeing world-wide interest in our TELIA technology. The people we hire today are as likely to be programmers and software specialists as material handlers and crane operators.

Plant 6, our transloading and distribution hub that opened in 2000, is now automated to showcase the technology originally invented for Plant 19 and since refined. As the largest steel transload facility in Canada, and the first to be automated, Plant 6 is where we'll continue to test new systems and demonstrate them to potential customers. It's an exciting time and the opportunities are endless.

In looking back over 15 years, I'm amazed at how fast the time has gone, how much has happened and how much has changed. Facilities have opened and closed. Steel markets have gone up and down. We've tried new things, learned a lot and seen people come and go. We've known both the pain of final farewells and the excitement of new beginnings.

It has been a great ride and I'm indebted to all the members of the CareGo family who have contributed so much to the growth and development of our company. No matter what direction we pursue, what challenges we're able to overcome, our success always, always relies on a team effort.

Thank you, everybody.

Demetrius Tsafaridis

Company Timeline

2009 - Plant 19 closes

2009 - Continuum partnership is formed

2009 - Aurora Pallet is developed

2010 - Plant 19 re-opens for Aurora Pallet

2010 - UK port executive tours Plant 19

2011 - Talks begin with Peel Ports

2012 - Steelcare, Carelynx, etc. re-branded as CareGo the innovators

2012 - CareGo sells first three-high coil storage optimization technology to Peel Ports

2013 - CareGo sells first fully automated tube warehouse optimization technology to Welded Tube

2013 - CareGo receives first patent, for Artemis Pallet

2014 - Railcare is sold

2014 - Installation of technology at Welded Tube

2014 - Optimization technology is branded as TELIA

2014 - Plant 6 becomes first North American automated coil-handling facility using rail transload

2014 - CareGo celebrates 15th anniversary!



400 Longwood Road South
Hamilton, Ontario, Canada L8P 4Z3
www.carego.com



Cover photo of Demetrius Tsafaridis by John Rennison, courtesy of The Hamilton Spectator