

Briefing

eBay co-founder lauded for philanthropic efforts

Association names Skoll outstanding philanthropist

BY SHOWWEI CHU
TECHNOLOGY REPORTER, TORONTO

Canadian billionaire and eBay Inc. co-founder Jeff Skoll was named Outstanding Philanthropist of the Year yesterday by the U.S.-based Association of Fundraising Professionals.

"It's a tremendous honour," Mr. Skoll said in an interview. "In these times, good fundraising professionals are often the difference between the survival and the lack of survival of non-profit organizations."

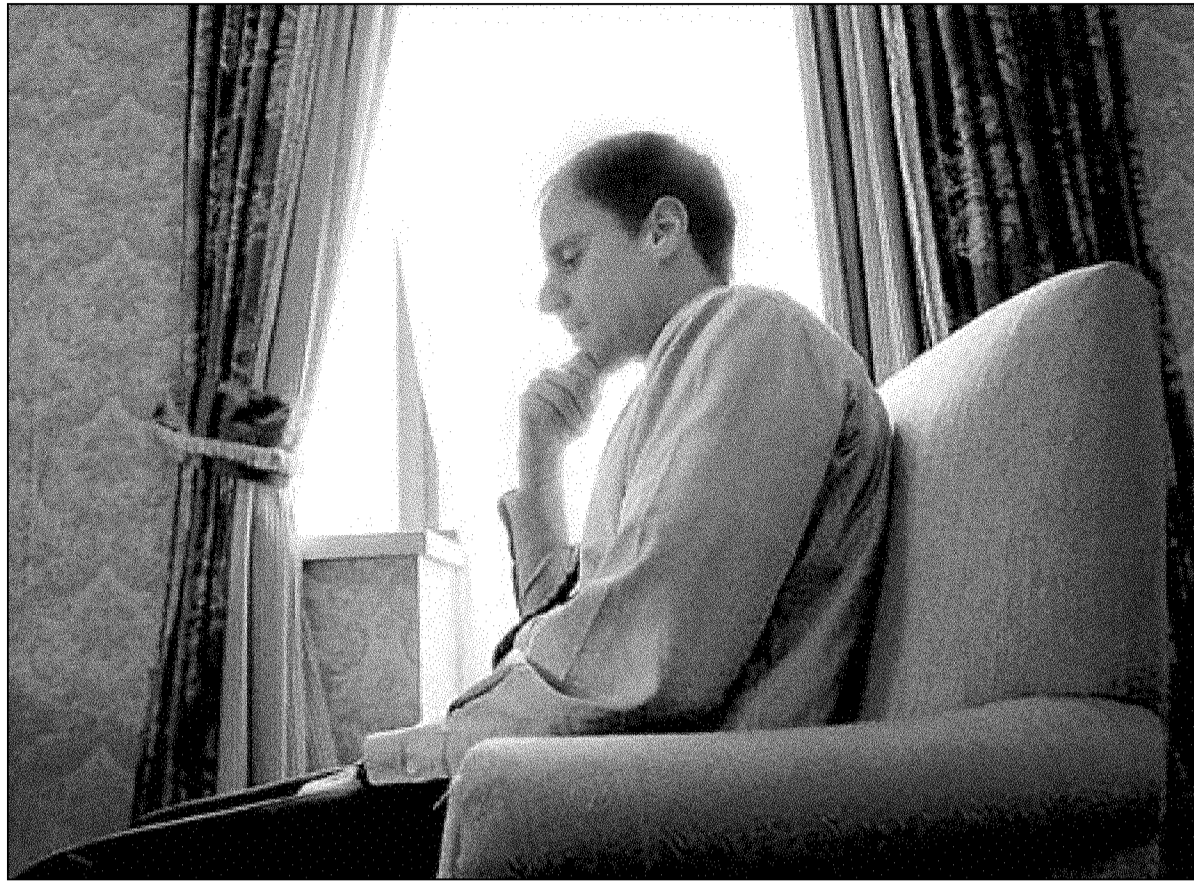
Mr. Skoll is a former resident of Montreal and Toronto who moved to Silicon Valley a decade ago to attend business school and became one of the few to successfully ride the Internet wave. He was in Toronto yesterday to receive the award at the association's international conference.

He pioneered the granting of shares to the eBay Foundation, a charitable fund, before the company's initial public offering in 1998 and a culture of giving in Silicon Valley among its new rich.

Mr. Skoll removed himself entirely from the day-to-day business of the on-line auction site two years ago, and he kept his comments about the company to a minimum yesterday, saying "anything I say is going back quite a ways."

He still owns an 11-per-cent stake in the company worth about \$3-billion (U.S.).

Instead, he preferred to talk about the work of his second philanthropic venture, the Skoll Foundation, which was established in 1999 to financially support social entrepreneurs and innovative



J.P. MOCZULSKI/THE GLOBE AND MAIL

Jeff Skoll, co-founder of eBay, said his approach to philanthropy was similar to his approach to business: 'Having a strategy, and then going after it with enthusiasm and passion is the right way to do it.'

non-profit organizations, and has doled out \$13-million to more than 200 organizations so far.

Mr. Skoll, who received an MBA from Stanford University in California and studied electrical engineering at the University of Toronto, said his approach to philanthropy was similar to his approach to running a business.

"I think to succeed, whether it's business or the non-profit world, thinking it through and then having a strategy, and then going after it with enthusiasm and passion is the right way to do it," he said. "That kind of motivation holds

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true for both worlds."

By the looks of it, Mr. Skoll is having as much success in philanthropy as he did in business.

"I started the [Skoll] foundation four years ago and we're already in the top 1 per cent of foundations in the U.S. in terms of asset size,"

he said. The Skoll Foundation has about \$250-million in assets. "But we're approaching the philanthropy world in a different way from traditional foundations."

He has also invested in a film company, Ovation Entertainment, which is the Skoll Foundation's vehicle for telling the stories of grant recipients that he hopes will inspire others around the world.

"Our goal is to make sure that the public sees these stories of inspiring leaders that can change the world," he said. "It's the antidote to the bad news we hear on CNN every day."

U.S. sales of vehicles seen falling

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"March demand looks sloppy, but higher than dire mid-month expectations," Mr. Casesa wrote. "Nonetheless, if our March estimate is accurate, the SAAR [in the first quarter] will average 15.7 million units, making company estimates for 2003 in the 16.2- to 16.5-million-unit rate look optimistic."

Last week, Mr. Casesa lowered his estimate for full-year U.S. sales to 15.9 million vehicles.

Ford Canada is trying to fight soft sales with a new incentive program that offers existing owners credits of \$500, \$750 or \$1,000 — depending on the vehicle — for a new car, truck, sport utility vehicle or minivan purchased by June 14.

It's on top of existing Ford Canada rebate programs, which include interest-free loans or cash rebates.

"That [new program] tells you that there's softness in the marketplace," said a Ford dealer in Alberta. "That's double-dipping and you don't often see that."

The dealer said sales at the beginning of March picked up after a "terrible" February, but have slowed since the war began last week.

Norman Hébert, who runs a string of dealerships selling off-shore-based brands in the Montreal area, said sales have been brisk all month.

"I'm seeing a market that is as good or better than last year," Mr. Hébert said yesterday. "I'm trying to see negative things out there and I don't see a lot except the war."

Angelo Longo, a Chrysler dealer in Cambridge, Ont., said customers appeared to be holding back earlier in the month, but once the war began, showroom traffic began to pick up.

"The uncertainty seems to have been dispelled a little bit," Mr. Longo said. "March is quite a bit better than February."

SHIPPING

Halterm trust suspends distributions

Halterm Income Fund said yesterday it has suspended the payment of distributions "until such time as distributable cash increases." Halterm said following an assessment of the loss of business from Atlantic Container Line and Maersk Sealand, its estimated cash flow, after debt service, will be reduced to slightly less than \$1-million for the coming 12 months. The Halifax-based income trust said new revenue opportunities and additional cost reduction initiatives will be "vigorously pursued."

TECHNOLOGY

CMC to upgrade Black Hawk helicopters

CMC Electronics Inc. has won a contract to supply flight systems and emergency control panels for hundreds of Sikorsky Aircraft Corp.'s UH-60M Black Hawk aircraft used by the U.S. armed forces. Montreal-based CMC, whose indirect owners include conglomerate **Onex Corp.**, said yesterday it expects to upgrade more than 1,200 helicopters in a contract worth \$110-million (U.S.).

MINING

Wheaton boosts stake in la Alumbrera to 37.5%

Wheaton River Minerals Ltd. and an unnamed partner will buy a 25-per-cent stake in the Bajo de la Alumbrera gold-copper mine in Argentina in a \$180-million (U.S.) deal that increases Wheaton's stake in the mine to more than one-third. The Vancouver gold producer said yesterday the assets are being sold by **Rio Algom Ltd.**, the wholly owned Toronto-based subsidiary of **BHP Billiton Ltd.** Under the deal, Wheaton River and its partner will each acquire 12.5 per cent of the Alumbrera mine, giving Wheaton a 37.5-per-cent stake in the mine.

Luscar closing Obed Mountain mine

Luscar Ltd. is suspending production at its Obed Mountain coal mine indefinitely, affecting 110 workers at the operation west of Hinton, Alta. The company said yesterday it made the move because of a glut in thermal coal. Luscar said it will also begin a three-week temporary shutdown at its Coal Valley mine near Edson, Alta., next month. Luscar will take a first-quarter charge of \$6.3-million linked to the Obed shutdown. Edmonton-based Luscar is owned by the Luscar Energy Partnership, a joint venture of Toronto's **Sherritt International Corp.** and the Ontario Teachers Pension Plan Board.

OIL AND GAS

Gasoline prices follow drop of crude

Pump prices continue to tumble from record high levels reached this month, tracking the steep decline in crude oil costs since the start of the U.S.-led war on Iraq. According to a weekly survey from energy consultancy M.J. Ervin & Associates Inc., the national volume-weighted average cost for a litre of regular gasoline dropped 2.2 cents to 77 cents as of yesterday morning. Average gasoline prices reached a record high of 84.2 cents a litre on March 11. The rapid drop in the price of crude has prompted the Newfoundland government to reduce the regulated price of gasoline by 3.9 cents a litre, ahead of the regularly scheduled review.

ENERGY

Sherritt amalgamation approved

Common shareholders and note-holders of **Sherritt Power Corp.** have approved the amalgamation of the company with its largest shareholder, **Sherritt International Corp.**, following a sweetened offer to the power company's noteholders. The enhanced offer includes a slightly higher interest rate for new notes to be issued by Sherritt International. The new notes, which will pay 9.875 per cent interest instead of 9.5 per cent under the original proposal, will be exchanged along with some cash to retire notes previously issued by Sherritt Power. Other terms of the offer, first announced last month, remained the same. Both firms are based in Toronto.

Nortel takes on Cisco Systems in new market

Competition over networks heats up

BY DAVE EBNER
TELECOM REPORTER, TORONTO

Nortel Networks Corp. is busy battling **Cisco Systems Inc.** over sales and partners in the market for communications equipment sold to businesses, a sector Cisco dominates.

"It's a major opportunity for us," said Malcolm Collins, president of Nortel's enterprise networks division, one of the company's four parts. "We've got a discontinuity in the marketplace where there's an overdistribution of the competition's products. There's a real enthusiasm out there to work with Nortel."

But enthusiasm has yet to translate into major deals and partnerships, Mr. Collins said, partly because San Jose, Calif.-based Cisco has a virtual stranglehold on the market in which Brampton, Ont.-based Nortel is trying to make a noticeable dent.

Network equipment sold to businesses often involves a partner — so-called channels — such as International Business Machines Corp. The equipment maker and partner together provide the gear and network know-how, assessing customer needs and goals and working on implementation.

A strong group of partners is key. Cisco developed its base over the past decade. Nortel, meanwhile, relied on strong, traditional links with phone companies.

Now that Nortel is charging at Cisco's turf, Cisco is getting tough.

"There is a fear out there that as [Cisco partners] start working with us, there is a certain amount of retribution that could follow," Mr. Collins said.

Cisco generates partner loyalty by selling almost all its enterprise gear through channels, said Andrew Sage, marketing director at Cisco Systems Canada Co.

"We've been partner focused for more than 10 years," Mr. Sage said, adding that Cisco invests money and energy in training partners. The key, Mr. Sage said, is not so much the technology itself but how technology allows cus-

tomers to do new things.

Cisco is the No. 1 company selling products to businesses that transmit data information. It controls about 75 per cent of the local-area-network market, according to analyst Steve Kamman of CIBC World Markets Corp. in New York. Nortel is an also-ran with about a 5 per cent share.

Nortel has always been strong in voice applications, accounting for more than half of its enterprise business, Mr. Kamman said. But the future of networking is widely believed to be in converged technology that carries both voice and data traffic, leading to a direct Nortel-Cisco clash.

Last October, Nortel unveiled its revamped enterprise strategy, taking aim at Cisco. There is much to ground to gain. While Nortel still loses money, Cisco has never been more profitable, posting sales of \$4.71-billion and profit of \$1.08-billion in the quarter ended Jan. 25. In Nortel's quarter ended Dec. 31, enterprise sales fell 18 per cent to \$654-million from the same period a year earlier.

As voice and data networks converge, the field could open up, said industry consultant Jim Metzler of Sanibel, Fla. Mr. Metzler spoke in Toronto yesterday at a sales seminar hosted by Nortel and Vancouver phone company Telus Corp. In an interview, he said Cisco's dominance could recede somewhat because there is an appetite among equipment buyers for alternate suppliers.

Still, Mr. Metzler said Nortel needs to shift its style toward the service-oriented business market and private networks from the technology-oriented market of phone companies and public networks.

"Nortel has always been more of an engineering company," Mr. Metzler said. "Cisco is more a sales and marketing company."

Some observers aren't particularly impressed. Jon Arnold of consultancy Frost & Sullivan in Toronto attended a Telus-Cisco presentation last year that he said outclassed yesterday's Telus-Nortel show.



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