



JNE WELDING

BUILD THE FOUNDATION

BY PAUL MARTIN

Jim Nowakowski has come a long way since starting JNE Welding with one employee – him – back in 1980. But even from the first day of charting his own future, he was destined to have a major impact on the province's manufacturing sector.

A thoughtful, articulate business owner, he embarked on the course of entrepreneurship because he yearned for the freedom to achieve. His employer back in 1980 didn't see things the same way. The company figured the 24-year-old should do as he was told, not demonstrate something as outrageous as looking for ways to make changes to the way the place was running.

"They weren't allowing me to grow. I had lots of ambition," he recalls his early days at the helm of a fledgling enterprise, armed only with that thing common to most first-time business owners.

"Because I didn't know it couldn't be done, it (anything) was possible. That's a bizarre statement but it's quite real."

He attributes the foundation for his eventual business success to a band teacher from his days in the North Battleford City Kinsmen Band, an instructor who instilled in him the qualities of discipline and a single-minded pursuit of excellence during his teenaged years. There may have been something in the water at his childhood home too. His brothers have also achieved a high level of success; brother Ken serving today as Ukrainian Catholic Bishop of British Columbia and the Yukon, and brother Bob contributing to the success of Ledcor Construction based in their Calgary office.

Since those early days in the world of commerce, JNE's track record has been characterized by persistent and consistent growth as it moved from a one-man operation working off the back of a truck

to a plant on 56th Street in Saskatoon's famed north-end industrial area.

His company has emerged as a leading fabricator, supplying parts, components and equipment for the Western Canadian industrial economy. In many ways, his company's growth has paralleled the development of the West as mining, the petroleum and oilsands, a combination of oil and mining, were elevated to world scale.

Through it all, Nowakowski found time to become a significant contributor to his community and, more particularly, to the advancement of business in the province.

Now on his third tour of duty on the board of the North Saskatoon Business Association, he is on track to assume the presidency for a second time in 2010. He also is an active supporter of the Prairie Policy Centre and a founder of the Raj Manek Trust Fund which underwrites a successful mentoring program pairing experienced business leaders with the next generation of emerging entrepreneurs.

ON-GOING EXPANSION

Before long the 56th Street plant was cramped and a Cover-All building (fabrication shop) was added as the company continued on its growth track. Then, a couple years ago, Nowakowski acquired the former Redhead building on Thatcher Avenue. But even that was not going to be enough so he added a second building to the site, a high-clearance plant capable of accommodating the increasingly larger components being fabricated by the JNE team.

Adding all that capacity put new pressure on JNE to secure more and bigger orders, pushing sales beyond \$20 million and then \$30 million annually. It prompted the size of the firm's workforce to rise to its current level of 150.

But, building a business on the coat tails of the resource sector means the company lives by the sword and...well, you know how that ends.

"We actually feel blessed right now, living in this part of the world, in Saskatchewan," Nowakowski says in reflecting on the rapid pace of change gripping Western Canada's resource economy.

Last year, the firm's best ever, saw more than two-thirds of the company's revenues flow from Alberta with a single company spending more than \$20 million with JNE. He is now forecasting that Alberta-sourced work will represent only one-quarter of the company's revenues, reflection of the Alberta slowdown coupled with his focus on finding work in other places.

"We recognized that was an imbalance and had to get more Saskatchewan work or other regions to offset the oilsands. We recognized we were putting ourselves at risk," Nowakowski says of the firm's response to recent changes in the market.

Where has he looked to find work that could offset or replace his company's reliance on oilsands? His own back yard.

"It's been Saskatchewan. It's been potash. It's been uranium. It's going to be utilities," he offers, noting that the firm has longstanding working relationships with companies such as SaskPower and SaskEnergy.

Although some in the manufacturing sector have responded to the softening in oil prices and the consequent delays or shelving of major energy projects such as those JNE supplies with layoffs or cut-backs, Nowakowski headed in a different direction.

"We changed strategy last fall as soon as we saw it (the oilsands slowdown) going on," he reports. "That's why we didn't have to lay anybody off." ■