

Focus on Leadership

A SPECIAL SERIES ON CALGARY'S BUSINESS VISIONARIES

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Aiming for excellence fuels Marathon's success

With less than 50 employees in all of Canada, Marathon Oil Canada Corp. isn't the biggest energy firm in Calgary. But president Steve Reynish says this wholly owned subsidiary of Marathon Oil Corp. (NYSE: MRO) is determined to be the best.

"We believe Marathon's long-established core values set us apart," Reynish says. "These values are: health and safety, environmental stewardship, honesty and integrity, corporate citizenship and a high-performance team culture."

In 2003, Marathon said goodbye to Calgary when it sold its Canadian assets to Husky Energy. But the company returned in 2007, with the purchase of Western Oil Sands Inc. and its assets, for \$6.9 billion US.

The acquisition provided Marathon with a 20 per cent stake in the Athabasca Oil Sands Project (AOSP) operated by majority partner Shell Canada, and interests in other oilsands leases. These properties cover 22,258 hectares near Fort McMurray, and are estimated to contain a staggering 1.3 billion barrels of recoverable resource.

"Alberta's oilsands, with estimated reserves of 170 billion barrels, are set to play a major role in meeting the world's growing energy demand," says Reynish.

"The development of the

Canadian oilsands poses a number of challenging environmental, economic and technical issues."

But Marathon and its partners have the experience and expertise to rise to the challenges, and responsibly help meet the planet's fuel needs.

"Continued development of our oilsands assets will also result in additional Marathon-operated projects," he says. "These new projects will build on our oilsands experience and the capabilities and competencies Marathon has developed as a global energy producer."

Headquartered in Houston, Marathon has more than 28,000 employees worldwide, working in exploration and production, oilsands mining, integrated gas, refining, marketing and transportation.

Marathon is the fourth-largest integrated U.S.-based oil company, and the nation's fifth largest refiner.

Its only oilsands assets are in Canada, which are managed by a team of about 45 employees in downtown Calgary.

But this seemingly small piece of the Marathon puzzle is described on the website as core to the corporation.

Reynish says the company works hard to make the four dozen Calgarians who work for Marathon feel like part of the global team, without losing their Canadian distinctiveness.

"The Canadian office runs



Wil Andruschak photos

Marathon's core values sets it apart, says company president Steve Reynish.

fairly autonomously. Much of the day-to-day operational activities are managed in Calgary. However, the Calgary office is able to tap into the global Marathon network to obtain specialized expertise," Reynish says.

While Shell operates the AOSP on behalf of its partners (Marathon and Chevron Canada Limited, which also holds a 20 per cent share), Marathon actively participates in the executive and operating committees of the joint venture.

"We also provide specific technical and operating expertise and resources from our

corporate-wide Marathon operations," Reynish notes.

Since Calgary functions as the world headquarters for the oilsands industry, locating the Canadian head office here was a business necessity for Marathon. But perhaps just as importantly, the city is a great fit for the firm's corporate culture.

"Calgary is an incredible city in which to live and work. There are numerous ways in which the city contributes to Marathon's success," Reynish says. "There is an ongoing commitment to research and innovation here, and the col-

laborative working relationships between industry, academia, government and other stakeholders are invaluable."

That's why Marathon got involved in the Action Calgary initiative.

"Calgary Economic Development is dedicated to building and enhancing Calgary's position as a global energy centre," he says. "Marathon supports this goal and believes, as a corporate citizen, that we should be involved in strengthening our community and working with our partners to make Calgary a better place to work and live for us all."

Innovative approach grows Aspen roots

Innovation. For some, it is the high-tech product that supercedes any on the market. For others, it is an idea that propels a company into the next century.

But for Aspen Properties, it is knowing its strengths; it is developing a way of doing business that is unique. In other words, its innovation is found in understanding "the Alberta story."

Most of downtown Calgary and Edmonton's office buildings are owned and operated by large companies based in other cities.

But with Aspen, the company decided when it was formed nearly 13 years ago to take a different approach; to not only manage all the assets it owns, but to not manage the property of others.

"Our clients have direct access to me and my partners on a daily basis. We're focused on our tenants, and we live, breathe, sleep and understand the Alberta story," Aspen Properties founder Scott Hutcheson.

"We have employees involved in mechanical engineering, property managers, finance people and people involved in the process of construction."

Being smaller and local also gives Aspen an advantage over the competition, he adds.

It's also hard to miss the company's other assets in innovative property management — the properties themselves.

The most visible is the Calgary Tower, and Aspen takes a hands-on role in the landmark's operations — other than Sky 360, the revolving restaurant.

"Historically, real estate owners would have operated Sky 360, but we felt that there are people who are better at that than we are, so we leased that out, and that was a good decision for us and for the restaurateur," says Hutcheson.

Another jewel in the Aspen crown is the Palliser South office building in the Calgary Tower block.

"We're very proud of the building; it's an exciting building from a creativity standpoint," says Hutcheson.

The 18-storey office tower was built partly atop an existing 1,374-stall parkade. Rising eight floors, then canting to the west at an angle over the parkade for another 10 floors, Palliser South has a total of 330,000 square feet of office space. Its unique architectural design includes a slope away from the east side of the sixth floor, so that the floor plates grow progressively larger toward the top level.

Aspen's vision for owning prop-

erty took root in 1998, when Hutcheson founded the company, with the help of a handful of partners and a cellphone out of a friend's board room.

Within a few years, Aspen Properties had almost 200 employees operating properties across Western Canada and the North.

"With several billion in assets, we were one of the largest owners of office space in Alberta. We had up to 23 buildings at one time," he says.

The company sold off many of its assets during the market's peak in 2007 and 2008, and today it owns, and with the help of its 100 employees, operates six buildings in downtown Calgary and one in downtown Edmonton.

Now Aspen's chairman and CEO, Hutcheson chose Calgary to be the company's headquarters, and is still very glad he did.

"I picked Calgary based on what I felt was an opportune time, with the Alberta Advantage; the youth and culture that prevails here; the entrepreneurial spirit and the ability to get business done without bureaucracy," says Hutcheson.

"We live in a great city — one of the best in North America. It's an exciting business community, yet a very livable urban community."



Aspen Properties president and COO Greg Guatto, left, and chairman and CEO Scott Hutcheson outside the new Palliser South office building in downtown Calgary.

Theatre Calgary has role to play in community: president

Does Theatre Calgary exist to serve the city's artists, or its audiences?

Yes, says president Tom McCabe.

"We think we have a role to play in bringing quality entertainment to Calgarians, and we also have a role to play in providing great employment opportunities for artists in our communities."

Theatre Calgary is the largest fully professional theatre company in the city, with an office staff of 22 and an annual budget of nearly \$8 million. It annually employs more than 200 artists — actors, directors, stage build-

ers and other crew members.

"We make our own costumes; we make our own sets. A lot of people think we parachute all of this in from someplace else, but it's all done right here," he says. "We're quite an economic engine in the city, as far as arts and culture are concerned."

Theatre Calgary is not for profit, with 12 per cent of its revenue coming from government grants.

About 52 per cent comes from ticket sales, and the rest comes from corporate funders, special events, bingos, casinos and donors.

The organization does what

it can to partner with other community organizations, and to give back to the city. Theatre Calgary provides free tickets to the city's homeless and women's shelters, and also provides study guides for high school classes that attend productions.

"We put 20,000 to 25,000 young people through the theatre every year," he says.

The company is based in the 780-seat Max Bell Theatre at the Epcor Centre for the Performing Arts — a facility with a stage large enough to accommodate huge productions such as Disney's Beauty and the Beast, which Theatre Calgary mounted

in 2007.

"We try to bring the best of theatre to Calgarians — theatre that other companies just can't do. The big production for this year is going to be a wonderful musical called The Drowsy Chaperone. We're contemplating a very large production for 2012, but I can't talk more about that yet."

As Calgary Economic Development's first cultural Action Calgary partner, Theatre Calgary is able to showcase its unique business development and client relations opportunities to Calgary's business community.

The company aims to provide

first-class entertainment that's commercially viable, "and also helps us learn about ourselves."

"It's a tough balance — you could go totally commercial and do Beauty and the Beast and Mamma Mia all the time, or say: 'We have a responsibility to do plays that aren't necessarily as popular, but are stories that should be told,'" he says.

"You'll see as good a play here as you'll see in New York, for one-third of the price. We hear it all the time — people come to us and say they saw a production we did here in London or New York, and it was done better here than it was there."

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info@calgaryeconomicdevelopment.com

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