



THINKING **BIGGER**

*Growing with Integrity,
Quality and Respect*



TERRAPEX

Written by Allison Dempsey

Terrapex has provided environmental, geotechnical and related services since its founding in 1995.

These offerings include geotechnical design, construction inspection and materials testing, building condition surveys, contaminant management, hydrogeological and ecological studies, and environmental, health and safety compliance and management systems audits.

Terrapex works in both the public and private sectors and is a company that noticeably sets clear standards of integrity, technical quality, respect, personal service, and putting people first, whether client or employee.

As well as dealing with the ongoing challenges of COVID during the past few years, the company has experienced its own considerable transformation, with a recent management buyout. "It's been one of the most exciting things that's happened to the company in the last year or so," says President Jennifer O'Grady.

Beginning in late 2019, Mike Osborne—who founded the company and was majority shareholder—decided it was time to take action on his exit strategy.

"He had always wanted to sell the company to key employees and maintain it as an employee-owned company," O'Grady says. "He and I talked about it a number of times in the past, but we were never sure it was financially feasible or if we had enough people who'd be willing to take on that kind of financial risk." ►►



► A way was found, however, and although the pandemic slowed the process, in August 2020, key senior staff who had more than 15 years tenure were approached.

“We ended up with four, including myself and Peter Sutton, who was Vice President at the time and still is,” O’Grady says. “It took 11 months to get it finalized, and in July 2021 we signed all the final documents.”

Osborne stayed on as CEO until the end of October to help with transitioning before he resigned but now acts as a senior consultant advising the management team. “I’m happy to say he was fully retired by the end of July of this year, so he took the final step back and he’s pretty excited about that,” says O’Grady.

“It was great that he was able to transition that way,” adds Sutton, Vice President, Environmental Services. “It made it a lot easier for us.”

The pandemic not only affected the ownership change but also initial business dealings, particularly at the start, a time when Terrapex fully expected to be shut down by emerging COVID regulations.

“No one back then expected this to go on for as long as it has,” says Sutton. “That initial period of shutdown only affected part of our business, though, as a lot of the environmental work we do was considered essential.”

The company did see a fairly significant drop-off in March and April of 2020 but was fortunate to have a big project in April that kept their environmental team largely engaged. “Our other service lines were a little more strapped, but we were in a very good position at that point after a successful fiscal year, and we made a decision not to lay people off,” says Sutton.

“Even if there was nothing for them to do that was billable to our clients, we would find something. We just simply weren’t willing to do that to our staff. We wanted to keep them safe and that meant economically safe as well.”

That dedication and commitment to employees is a cornerstone of Terrapex’s vision, even during the challenge of COVID. While the company finished the fiscal (and COVID) year of 2021 with a small decrease in revenue, helping staff stay afloat was a top priority. Since then, revenue has been impressive.



"We now have a 29 percent total revenue growth from April 2021 to March 2022," says Sutton. "We had a flat year and then we grew, and then some, for two years, and we're continuing to grow."

That growth includes people: Three years ago the company had a staff of 80 and is now at more than 100, some of whom have made a transition to working from home due to COVID restraints.

"It's changed our business quite a bit because we've seen an uptake in remote work, but only about 15 percent of our staff are on a hybrid schedule," says Sutton. "An extremely small number of people are completely remote. From a cultural perspective, we've managed to have people who want to be with their co-workers, but we've also increased flexibility for our staff for those whose roles permit work from home on a slightly greater frequency than we used to see."

While historically the company felt strongly about the need for face-to-face interaction in the office, advancing technology in the past few years has made this pivot easier.

"It's a testament to our good office culture that people want to be in the office at least part of the time," says O'Grady, though she adds that maintaining and developing relationships throughout COVID has been a challenge. "We've always had a real sense of community amongst our staff, so seeing almost everyone have time in the office, even if it's just once or twice a week, shows how strongly people feel about wanting to be part of Terrapex."

While both O'Grady and Sutton enjoy being in the office full-time, they appreciate that not everyone feels that way, and while COVID is still affecting daily work and personal lives, they also realize it may be some time before social functions return completely to normal.

The company is also still accustoming itself to an entirely new board of directors post-buyout, and while the board has been active in meeting and discussing growth plans, at the same time it has exercised a caution that befits its first year.

"We've been benefiting a lot from development in the real estate business, in particular, and our services are growing quite rapidly, so we're focusing on stabilizing those," O'Grady says. "We're also working to develop an ecology business and that has taken off in the last little while. We see a lot of opportunity for growth in ecology services, most of it related to the real estate redevelopment market, so we'll continue to invest in that."

Health and safety services have also taken off in the last six to eight months, due largely to Terrapex's partnership with the Inogen Alliance. ▶▶



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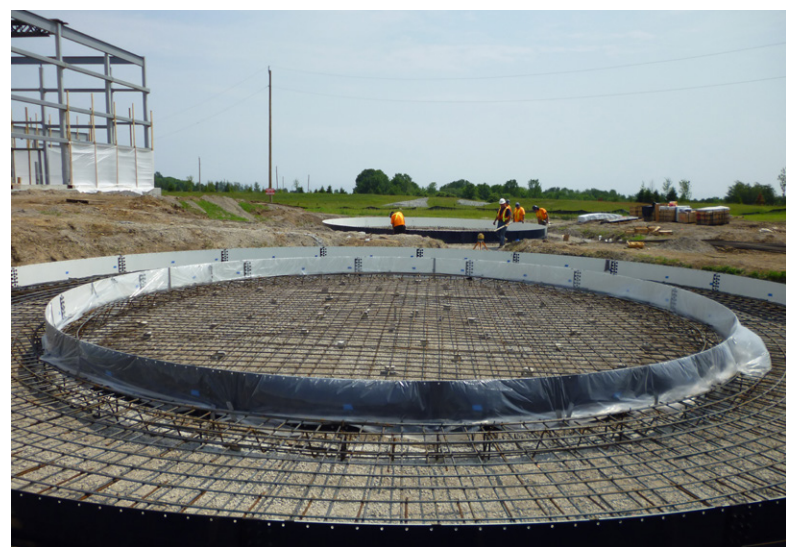
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▶ An alliance of specialists offering comprehensive coverage through a single point of contact for companies' initiatives in sustainability, health, and safety, Inogen works with Terrapex and its multinational clients looking to have operations in all, or a select few, of the countries they work in, to ensure operations run correctly.

"During COVID when rules were changing, some companies were having difficulty making sure they complied at a local level," says Sutton. "On some projects we were called in because maybe the head office didn't consistently follow local regulations."

Inogen Alliance also offers a help desk with global access to which clients can submit questions electronically, adds O'Grady. For instance, if you have a question about COVID

rules, whether in Zimbabwe, Indonesia, or Canada, you submit it through the help desk, which routes it to an associate in that country, and you get your answer.

Other growth plans for Terrapex include geographic. While the company has a solid presence in southern Ontario, it wants to expand in the eastern area of the GTA, particularly Whitby and Oshawa.

"We're a very strong regional player, although a bit of a unicorn. We're not a large company, not a small company, and we offer all these services that generally you find at large companies."



"The Alliance is forcing us to think a little broader," says Sutton. "We're a very strong regional player right now, although we're a bit of a unicorn. We're not a large company, we're not a small company, and we offer all these services that you generally find at large companies. We tend to focus only on what we do now and can do in the future. It's a good impetus for us to start thinking a little bigger."

A recent achievement of the company was associated with the development of affordable and supportive housing in the Toronto area.

"When the pandemic hit, one of the things that was impacted was the shelter system," says Sutton. "In the space of two weeks the system required place separations and screening for entrance and the impacts on the city's shelter system were enormous. It ground the system to a halt."

Special city council meetings and emergency declarations approved projects for supportive housing to find a permanent alternative to the shelter system for those at risk of or experiencing homelessness, with several projects green-lit as a result. Terrapex provided environmental, geotechnical and hydrogeological consulting services for one property that was a former brownfield.



"We managed to secure all the environmental permits, both provincial and municipal, which allowed for the facility to be constructed and inhabited in less than nine months which is insane," Sutton says. "We had a lot of assistance, and it was an amazing accomplishment not only for Terrapex but for the project team."

It is successes like that that win Terrapex recognition for its outstanding work. In recent times, the company has been involved

in several projects which have won Brownie Awards from the Canadian Brownfields Network.

The awards acknowledge “builders, innovators, and visionaries who are dedicated to the rehabilitation of brownfield sites that were once contaminated, under-utilized, and undeveloped, into productive residential and commercial projects that contribute to the growth of healthy communities across Canada.”

“We’re working on some interesting, unique, and high-profile projects, and it’s been good for us,” says Sutton. “We compete with much bigger companies. They have thousands of employees in Canada alone and tens of thousands across the world, and we’re competing on equal footing with them for projects in our markets, and we’re helping our clients win awards.”

Having that kind of visibility and profile in the real estate development industry is one of the reasons Terrapex is growing, he adds. The company may be smaller, but its impact is noticeable.

“Our size is one of our advantages in some cases,” says Sutton. “We can be a little more agile in responding to our clients’ requests.”

Historically, Terrapex has experienced low staff turnover, especially with senior staff, adds O’Grady. With some environmental projects tending to go on for many years, Terrapex has employees who, in some cases, know more about those projects than the clients. “They can always call us up and ask, ‘why did that

happen, or when?’ And we can pull up our files and give them all the answers.”

While staff turnover did rise during COVID, it was still remarkably low and continues to drop, a statistic Terrapex is proud of.

Respecting employees and putting their needs first is also an ongoing point of pride, particularly during the past several years of uncertainty.

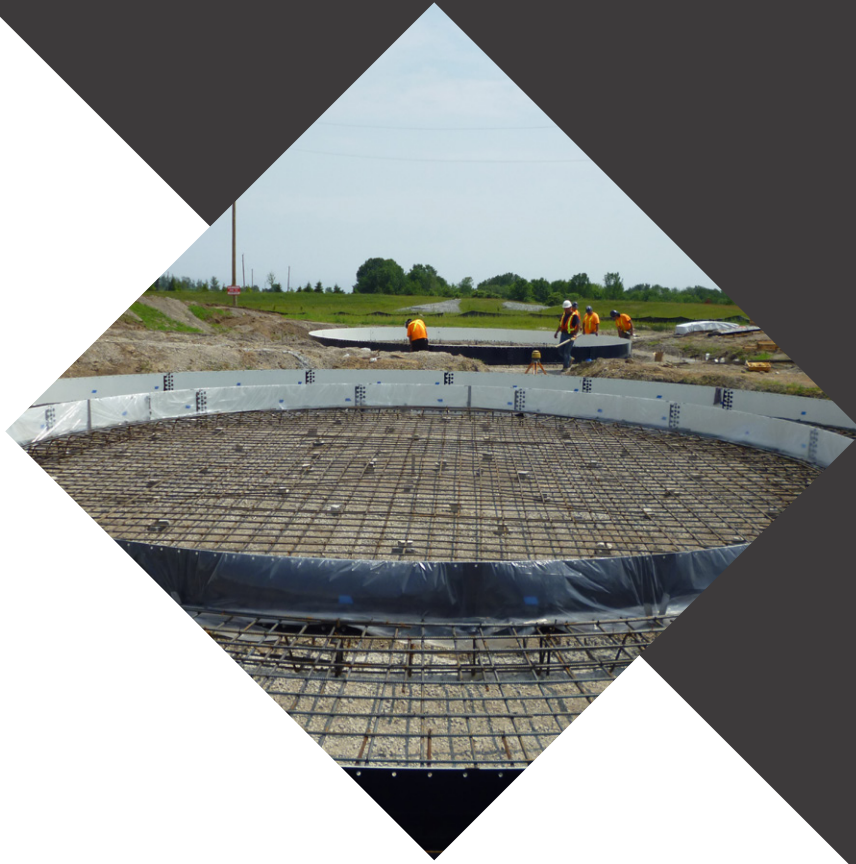
“We were trying to do the right thing for our staff to the extent that we could provide them some reassurance in what essentially was a very un-reassuring time,” says Sutton. “We couldn’t promise them they wouldn’t get sick from COVID, but we could say, ‘you don’t need to worry about being laid off.’ So one less stressor.”

It’s clear that this company culture has directly enhanced employee dedication and a will to work diligently and keep clients happy on every job.

“As a company, we’ve always focused on encouraging people to develop relationships with their clients so they understand what the clients’ drivers are,” says Sutton. “Ultimately we need to provide a service, and our service has to provide value to our clients. When we fully understand how we can provide value to our clients, we’re much more likely to provide that kind of personal value in services.” ■

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