

BYE-BYE, PAPER

Hamilton firm's software offers secure alternative to faxing



KAZ NOWAK, THE HAMILTON SPECTATOR

Bill Robertson, centre, is CEO of Obvious Solutions Inc., founded about three years ago by Hamilton entrepreneur Derek Ritz.

BY MEREDITH MACLEOD

How can business create a paperless world when faxing remains the main way of exchanging quotes, orders, shipping bills and invoices?

That was the problem presented to Hamilton entrepreneur Derek Ritz. He was working as a supply chain consultant for frustrated U.S. petroleum companies that couldn't conduct e-business with smaller partners because their software platforms weren't compatible.

"The large organizations were throwing themselves on the sword trying to deal with their smaller partners," said Ritz, 42.

Like a "bolt of lightning," Ritz came up with an idea for software that would install and act like a printer but that would capture, translate, encrypt and send documents via "smart e-mail."

Ritz scrambled to build a business plan and find investors. He was successful at both and founded Obvious Solutions Inc. (OSI) about three years ago.

Almost all the capital backing and the board is local, Ritz says proudly.

"This is a real Hamilton story. I was going to meetings up and down (Toronto's) Bay Street with venture capitalists who had all been burned in the dot.com collapse. They just didn't get it. But this was about supply chain management and that's Hamilton. We make stuff and ship it to people."

Now, the James Street South company employs 20 people and is advised by an impressive board of directors that includes former deputy prime min-

ister John Manley, former regional chair Terry Cooke and a number of successful local entrepreneurs.

Manley, who joined the board in February, said, "In my view, Obvious Solutions has achieved a significant technology and business breakthrough that I expect will measurably benefit business and governments alike."

Ritz credits Manley with being the mastermind behind Canada's commitment to high-speed Internet during his tenure as industry minister.

"He was a natural choice for us and boy, did he check us out thoroughly. He only sits on a few boards, so it really means a lot."

Cooke became involved with Obvious Solutions while president at Fluke Transport. The trucking company was one of the test locations for the new software.

"In a fairly traditional, paper-centred business, this was a solution to the day-to-day headache of serving customers," he said.

Cooke says he was attracted to the board because of the "imaginative and visionary leadership" of Ritz and the potential business applications of the software.

"It's very exciting but it's daunting, too. This is all private investment and people have worked very hard. We need to protect and safeguard the interests of shareholders."

Other board members include Chip Holton, co-owner of NPG Envelope in Hamilton; Mark Chamberlain, former Wescam president and Ontario Entrepreneur of the Year; Colleen Gibb, who

co-owns an Ancaster accounting firm; James Lau, director of IBM Canada's Pacific Development Centre; and Norm Archer, professor emeritus at McMaster University's school of business.

Holton was OSI's first investor and with other seed money, Ritz built a proof of concept, software called Abrica.

Securing material orders from suppliers and invoicing customers requires a lot of daily transactions. The vast majority of them remain paper-based, says Ritz, because there hasn't been a cheap, safe, easy way to do it electronically.

Most times that means sending and receiving faxes, which are then manually entered into computers. That's time-consuming and error-prone, says Holton, who helped test Abrica in his Queen Street North envelope factory.

"There is a huge advantage in security over faxing," Holton said. "Only the recipient gets the data and there is a verification it's been sent."

Along the way, the system tracks "digital footprints" of the document's contents that verify when it's been sent and received. There is also very strong encryption and authentication to combat identity fraud and information theft, says Bill Robertson, the CEO of OSI.

"We really have come up with something that is truly unique in how business can be connected easily and inexpensively," Robertson says. "It's a barrier no one had broken before."

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