

RON'S AUTO SERVICE & EQUIPMENT RENTALS

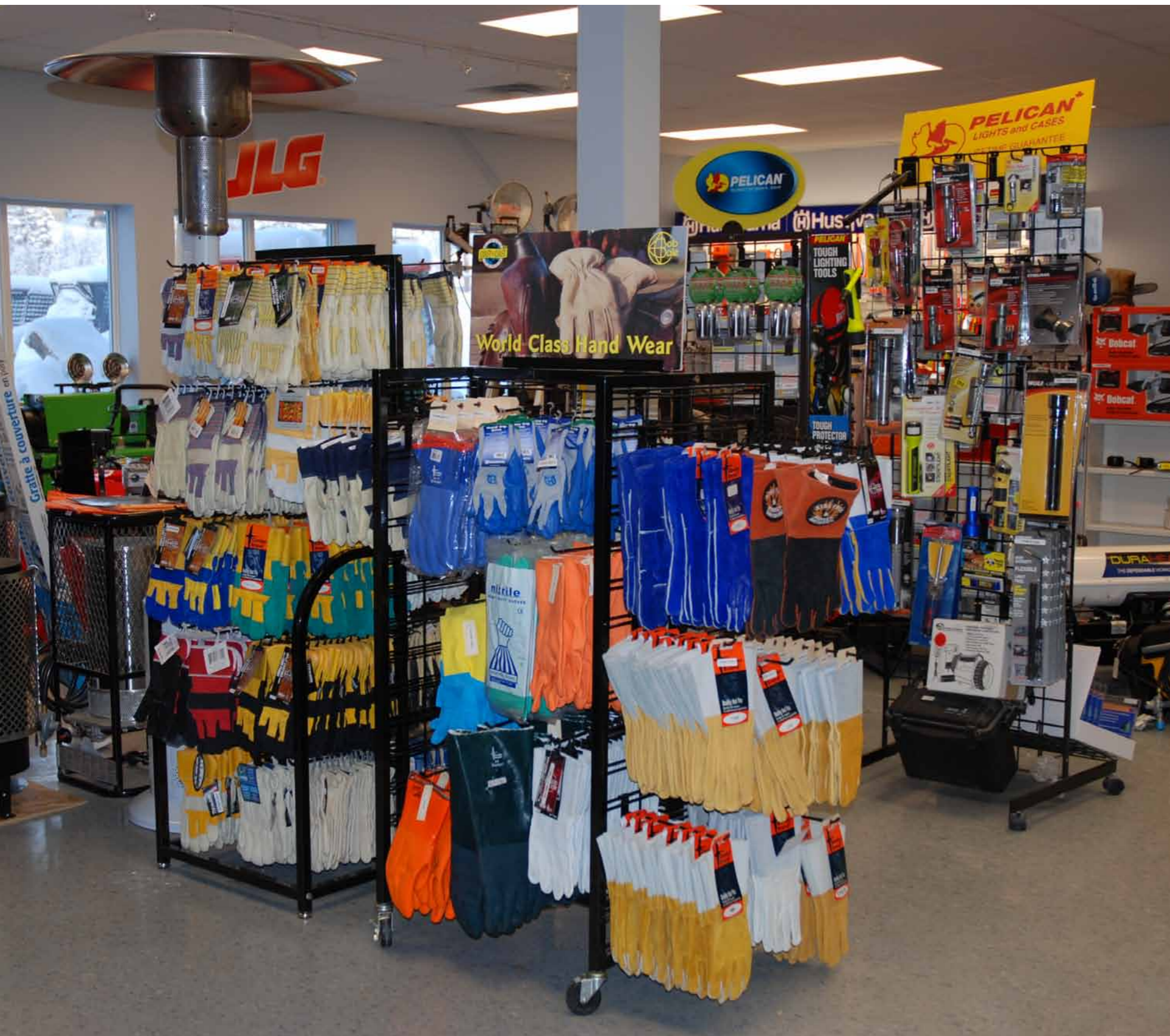
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COLD COMFORT

The northern regions of Canada are again experiencing a mining boom and behind every mining operator there has to be solid support, as we discover from the Gibeault family





There has been a recent focus on consumables

For a case study on man's ability to adapt and prosper, look no further than Ron Gibeault and his family. Early in his career, Ron decided that a new start in the northernmost reaches of Canada was what he and his new bride needed.

It was not long following his arrival in Yellowknife in February of 1971 that Ron Gibeault's skills as a mechanic were in demand and Ron's Auto Service was fast establishing a reputation for good work and fair prices. As the business grew, so did Ron and Joan's sons, Gordon and Brent. They became automotive technicians and learned the business under Ron's guidance.

"There's a tradition in the North," says Gord Gibeault, "of neighbors helping one another. But the truth is that borrowed equipment never returns in the condition it was lent and the need for small equipment quickly outgrew the supply."

Ron's Auto Service soon became Ron's Auto Service & Equipment Rentals. "Tools of all kinds were added to the range," says Brent Gibeault. "Anything that people needed but couldn't justify buying outright. Even lawn mowers and rototillers were stocked, despite people only having 100 square foot gardens and nothing much wanting to grow. People's pride in their homes brought in customers."

Yellowknife came into existence because of plentiful gold. Following a decline in gold mining the emphasis has now shifted to diamonds and other minerals and Yellowknife has become the supply hub for exploration and development across the Northwest Territories. The next big step for Ron's Auto was to recognize that the



Service and maintenance facilities

shortage of equipment in the Northwest Territories could be turned into a thriving business.

Over the years the business has adapted to capitalize on what is in greatest demand. A decade ago it was decided that generic automotive servicing no longer made much sense as there were plenty of other shops doing the same thing. It was a difficult decision because Ron's Auto Service had a very loyal client base. Instead, with a new name of Ron's Auto Service Ltd & Equipment Rental, they began to increase their focus on industrial equipment, service and consumables. The mix varies from year to year, depending on the level of activity within the mining and construction industries but the latest split in gross revenue is around half coming from outright sales, around one third from equipment rentals and the balance in service and maintenance. By the mid-90s, demand from mining companies was ramping up. "Mining companies generally have deep pockets," says Gord Gibeault, "and can buy from anywhere they care to, but they do give the local community a chance to get involved and try to support local vendors whenever they can."

In the fall of 2007 Ron's Auto Service moved to its expanded location. With the move they decided to upgrade the name to better reflect the business and began to be known as Ron's Equipment Rental & Industrial Supply.

Seen at the height of summer, the region consists of wide open spaces almost empty of people; lakes galore, plenty of fishing and



Being out of stock is not an option

hunting. Yellowknife and the surrounding wilderness is a paradise for anyone who likes the outdoor life and who wants to drive less than 15 minutes to find it. But come September, life changes rapidly and drastically. By Halloween, there is likely to be snow that will remain till spring. Go 70km north of Yellowknife and the all season road ends but leads travelers and transport companies to hundreds of kilometers of winter ice roads, made famous by the television show Ice Road Truckers. Go 512 km north and you're at the Arctic Circle.

Temperatures of -40°C are commonplace. Add the wind chill factor and it feels like -70°. Everything is frozen solid and there is no 'give' in the terrain. Fuel and lubricants gel and metals become brittle. Humans find it hard to cope and so does machinery.

"Knowing the terrain and how best to keep things working is one of our strongest assets," says Brent Gibeault. "Running a mining operation is an expensive exercise and it makes no sense for mine owners to have down time when equipment fails because it can't handle the cold. It's not

"KNOWING THE TERRAIN AND HOW BEST TO KEEP THINGS WORKING IS ONE OF OUR STRONGEST ASSETS"

just the equipment itself but how best to keep it in top condition. Products can be provided by companies down south but it doesn't come with our kind of expertise." That expertise is in preparing equipment in advance for use under the most difficult conditions, to correctly diagnose and remedy failures when they occur and to maintain equipment so it functions without interruption in intense cold.

Despite being the closest business of its kind to northern mines, Ron's Equipment Rental & Industrial Supply still finds itself

in stiff competition with outsiders. The cost of doing business, and consequently the firm's overhead, is hefty. Everything, without exception, needs to be flown or trucked in over incredible distances and far from the beaten path making even the most basic of commodities much more expensive. Then there is the ever present magnetic draw of labor towards bigger pay packets from the mines. Another influence which may drive labor costs even higher may be the burgeoning oil and gas industry in northern Alberta.

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Equipment rental is a core business activity



Keeping things working is a key strength

Transportation in the north is also a trial. At times, pulling out all the stops, the very minimum delivery period to Yellowknife can be as much as three or four days. When flying is possible it is too expensive for run of the mill deliveries so most things come by truck. To get across the McKenzie River in summer means a ferry ride. In winter, the ferry manages to break up the ice long enough for an ice road to be constructed across the river at which time the ferry is mothballed until spring. But when the ice begins to melt, there is a period when there is neither ice road nor ferry, and consequently no deliveries except by air. While the McKenzie River bridge, scheduled for completion in late 2012, will improve the reliability of deliveries, the

bridge tolls will add a cost to every product. Put all this together and it's clear that the business has little option but to carry far more inventory than their southern counterparts because in the north, being 'out of stock' is not an option.

Life in Yellowknife is not for everyone but it does seem to suit the Gibeaults and their loyal workforce down to the ground – something the mining companies ought to be exceedingly grateful for, as there is no doubt Ron's operation makes life in the cold a lot more comfortable. **BE**

For more information about Ron's Auto Service & Equipment Rentals visit: www.ronsauto.ca

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