

## HR firm moving work to city

Key Toronto functions are heading west

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By: Geoff Kirbyson  
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Laurie Goldberg (right), CEO with Groupworks, will be teaming up with John McFerran, president of People First HR Services. ( RUTH BONNEVILLE / WINNIPEG FREE PRESS)

The economy may be going south but, thanks to Winnipeg's newest publicly traded company, a new "home" office is moving west.

People Corporation, a provider of human resources services, recently closed its \$6.25-million purchase of Groupworks Financial Corp., a Toronto-based employee benefits and pension consulting firm that trades on the TSX Venture Exchange.

Laurie Goldberg, CEO of People, said the company will maintain executive offices in Toronto but most of its key corporate functions will be based in Winnipeg.

"This will be our home office. This is a pretty exciting time for us," he said from the 18th floor of the Commodity Exchange Tower.

The company's strategy will be formulated in Winnipeg, as will its plans for future acquisitions and corporate sales. Accounting and finance work will be split between the two cities, Goldberg said.

John McFerran, president of People's subsidiary, People First HR Services, said relocating the company's braintrust to the 416 area code was never on the table.

"We're not moving to Toronto. We're going to build the team from Winnipeg," he said.

Goldberg said it's too early to determine how many jobs will be created in Winnipeg but there will be "employee growth" here beyond the 60 people currently on the payroll.

"We're in selective hiring mode," he said.

The move by People halts a troubling trend that saw a number of major companies shift their bases or at least decision making out of Winnipeg last year. The local management team of aerospace giant Standard Aero, including CEO Paul Soubry, was let go last summer and replaced by a group headed by Rob Mionis, who is based in Tempe, Ariz.

Insurance giant Great-West Lifeco didn't move its Winnipeg headquarters, but its new CEO, Allen Loney, who replaced Winnipegger Ray McFeetors last May, lives in Toronto. Generally, wherever the CEO calls home is a company's de facto headquarters.

And HudBay Minerals, the province's largest mining company, moved its head office to Toronto last fall after a merger with Skye Resources Inc.

Lori Walder, director of marketing and communications at Destination Winnipeg, the city's economic development and tourism services agency, said People's announcement was "great news."

"This further reinforces the fact that though the recession is hitting all areas, there are still significant opportunities for investment and growth in Winnipeg," she said.

Goldberg said the addition of Groupworks is far from the last purchase People plans to make.

"Being a public company gives us a good platform for future acquisitions," he said, noting it also allows People to launch a stock option plan for its employees.

Goldberg said the addition of Groupworks' specialists will enable its employees to offer expanded services in employee benefits, outplacement, coaching, training, compensation and coaching.

People's revenue has grown from \$2 million to \$20 million over the last three years, the same time frame during which its employee count has jumped from 25 to more than 150. It currently has 10 offices in six provinces.

Goldberg said there's no question People's business has been affected by the economic downturn but there's still plenty of activity in the market.

geoff.kirbyson@freepress.mb.ca

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