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Magazine

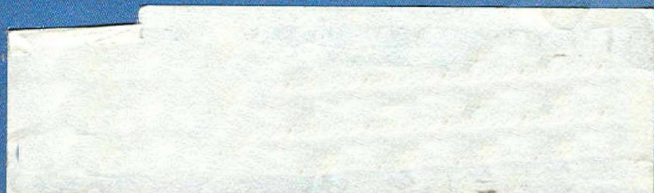
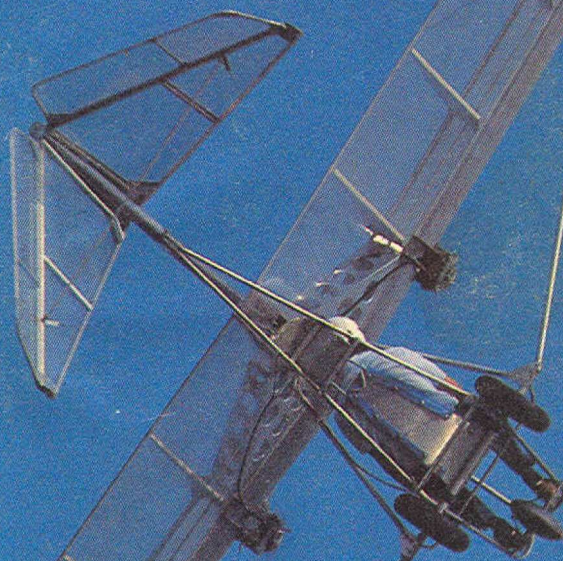
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**The Lazair is
a soaring business
success**

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A Special Section On
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Writing For Money



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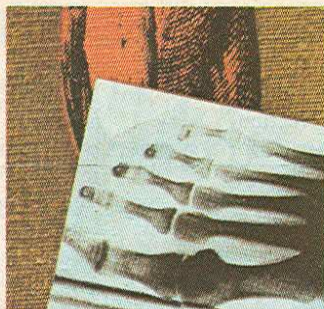
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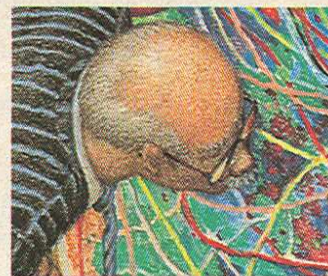
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SUCCESS ON THE WING

Dale Kramer's tiny perfect airplane is revolutionizing recreational flying

BY JOHN PARTRIDGE

IF DALE KRAMER EVER GETS THE TIME or inclination for reflecting on his achievements—and the way his restless mind and booming business keep him hopping, there is no guarantee of that—it will probably occur when he is about 1,000 feet above the sandy shoreline of Lake Erie near Port Colborne, Ontario. He will shut down the two engines on the airplane he is flying and follow his glider pilot's instincts to the nearest thermal. And then his heart, like his airplane, will soar like a hawk.

It will be kept aloft by the warm satisfaction that at the age of only 24, he is the designer and manufacturer of a tiny perfect airplane that, some observers believe, might just do for recreational flying worldwide what another Canadian mighty midget, the Laser, has already done for sailing. In the process, the Lazair, as he has aptly—and not altogether coincidentally—christened his creation, will almost certainly make him a wealthy man.

Those are pretty extravagant predictions. After all, Kramer's two companies, Ultraflight Manufacturing Ltd. and Ultraflight Sales Ltd., are less than five years old. That means he is still some time away from the infamous five-year hump into which so many high-flying entrepreneurs crash without a trace. As well, like everybody else these days, he is trying to chart a safe course through the turbulent crosswinds of inflation and recession.

And yet, Kramer's performance so far suggests that he has that near-magical combination of ingredients that separates the winners from the also-rans—a fertile imagination and keen sense of timing, the ability to attract associates of similar and complementary talents, the drive and resili-



ience to survive week after week of 16-hour days, the breadth of vision not to trap himself into a single product line and, not the least, a healthy dollop of good fortune. Blended and refined in the crucible of the marketplace, these ingredients appear to have produced the right product at the right price at the right time.

Consider the timing. The Lazair is what is known in flying circles as a microlight. Microlights are low-cost, low-speed, lightweight, single-seat airplanes generally sold in kit form and made to disassemble easily for transportation and storage. As well, the air in which they gently waft along is still mercifully free of red tape (although by the

time you read this the federal Department of Transport will have issued a set of licensing and flying regulations for microlights and their pilots).

Because of these attributes, the experts argue that microlights could well be the future of recreational flying. "Oh God, I think the market for this type of aircraft is almost unlimited," says Hugh Whittington, editor and publisher of *Canadian Aviation* magazine, the bible of private flying in Canada. The main reason, according to Whittington, is that microlights are so inexpensive. It costs anywhere from \$2,500 to \$3,000 to get a private pilot's licence and then another \$40 to \$80 an hour, not to



DALE KRAMER

His state-of-the-art microlight resembles a cross between a giant dragonfly and a birdman creation

mention fuel costs, to rent a conventional light aircraft to hack around in. And unless you are prepared to go into a partnership, buying one can be a pretty expensive undertaking. The Lazair kit, by contrast, now retails for \$5,200 in Canada and \$4,200 (U.S.) in the United States, and the minimal course of instruction the DOT is likely to demand will probably cost owners

only about \$300 to \$500. As a result, says Whittington, who is himself contemplating buying a Lazair, "more and more people are turning to microlights to sample the joys of flying."

And consider Kramer's product. Its wings, sheathed in transparent Mylar, give new meaning to the word "gossamer." In flight, it resembles an elegant cross between a giant dragonfly and the kind of birdman creations that used to flit across TV screens in the days of "Flash Gordon." Even at full power, its twin 9½-horsepower engines don't have the ear-piercing chain-saw snarl normally produced by two-cycle engines. Instead, they sound more like

large, friendly bumblebees trying to sing bass. And they can be switched off in mid-flight, leaving the Lazair to soar silently, like a glider. The airplane takes off and lands in less than 100 feet at a stately, safe 18 m.p.h. and has a top speed of only 55. It can be equipped with floats or skis and stored in an area measuring 18 feet by five feet by five feet.

Ever since January 1979, when Kramer unveiled the Lazair—"The name is basically for 'lazy air,' but there's some Laser in it, too, as well as a bit of laissez-faire," he says with a laugh—aviation buffs in Canada and the U.S. have hailed it as the state of the art in the burgeoning micro-

light arena. It has won five major design, construction and performance awards at air shows mounted south of the border by the Experimental Aircraft Association, and another in Canada. It has been showered with praise by reviewers in such prestigious publications as *Air Progress* in the U.S., which described it as "close to the ideal," and *Canadian Aviation*, which called it "the Rolls-Royce of microlights."

Even Ultraflight's competitors, who criticize the Lazair because it is less readily portable than some microlights, for instance, admit that it's a spectacular performer. Says Rick Cooper, chief engineer for Birdman Enterprises Ltd., an Edmonton-based company that has manufactured a line of hang-glider and microlight kits since 1974, "I bought a Lazair about six months before I started working here, and I've got about 50 hours on it. It's super. It flies really well."

And, both the Lazair and Kramer's business methods have won him praise from Canadian regulatory officials. "A lot of the people in this business see it as a chance to make a quick buck, so they put a pile of junk together and start selling it," says Dean Broadfoot, chief of flight standards for the DOT's air administration, who has been piloting the new microlight regulations through the Ottawa maze. "But Kramer has set the design standard for North America and probably the world,

***"I can design something better,"
thought Kramer, whose
gossamer flying machine
will almost certainly make
him a wealthy man***

and when he started selling his kits, he wouldn't let anyone without a pilot's licence buy one.... If they were all like him, we wouldn't have to write rules."

Most important for the company, all the acclaim, aided by a low-key but effective promotion campaign, has translated itself into the kind of sales needed to sustain Ultraflight's rapid growth and future expansion plans. In fiscal 1979-80, after only eight months' production, it grossed \$325,000 from 50 kits. In 1980-81, it sold 150 for \$650,000. For 1981-82, it met its April 30 year-end target of \$1.1 million in revenues from the sale of 300 aircraft. And there is little doubt that it will reach its projection of 500 units for 1982-83. Indeed, in his diffident, soft-spoken way, Dale Kramer is pretty confident that Ultraflight will surpass even that. "We've got some deals in the works to set up some new distributors, including one in California," he says. "And if the California one comes through, he alone may take in the area of

300 airplanes in the first year."

That's not bad going for a university engineering-school dropout who started his business on a wing—literally—a prayer and a \$4,000 grubstake from his father.

NIAGARA REGIONAL ROAD 24 DOESN'T look as if it could possibly lead to an aircraft factory. It branches south from the Queen Elizabeth Way a few miles west of St. Catharines and cuts slowly across the peninsula's orchards and vineyards, where winter-dead fruit trees and grapevines straggle forlornly toward the horizon.

Then again, Ultraflight's plant, which finally appears on the outskirts of Port Colborne, doesn't look much like an aircraft factory. It's a windowless, two-storey, 13,000-square-foot affair built of concrete block painted beige, with a single-storey, 2,500-square-foot brick addition that houses Ultraflight's offices. There is no sign of any formal landing strip, just a few scrubby fields out back and a parking lot out front. But as Kramer and his 25-year-old wife, Linda—she's now general manager of Ultraflight Sales—are quick to point out, their new facility, which Kramer bought in 1981, is a lot bigger and more efficient than the small room in an old shoe factory in downtown Port Colborne where Ultraflight was born in March, 1978.

That was the month when Dale Kramer's imagination finally got the better of him. Having capped a stellar high-school career with a 95-percent average and a top scholarship, Kramer, then 20, was in his third year of engineering at the University of Toronto. But he didn't like the direction in which his specialty, aerospace studies, was taking him. "I didn't want to end up sitting in the back corner of Boeing designing a fin for a 727 or something like that," he says, relaxing his lanky 180-pound frame into the sofa in his office.

Equally important, he probably couldn't have concentrated on his studies even if he had wanted to. Kramer comes from a family of aviation enthusiasts. His sister and two brothers fly, and his father, a plastics manufacturer, owns a small Cessna. Dale had won both his glider licence and his private pilot's licence by the time he was 18.

In the summer of 1977, he'd been bitten by the microlight bug. He and his father had taken a trip to the annual EAA airshow at Oshkosh, Wisconsin. On display were the first crude attempts at microlights, most of them little more than powered hang gliders steered by the pilot shifting his weight, but they were attracting a lot of attention. "Dale looked at them and thought, 'Well, if this is the trend, I can design something better,'" says Linda. "It really got him thinking."

And moving. He bought plans for a glider, rounded up the necessary materials and, after making many design modifications, set about building it with the single-minded determination that, say those who

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know him, he brings to everything he tackles. Within three weeks he had it in the air. By the time November rolled around, he'd made a decision. He wanted to get into microlights full-time.

Though at first his parents were a little dismayed that he was dropping out of university, they soon came around. "They know me well enough to realize that I'm going to do what I want to," he says, grinning. "They backed me." And that's where Kramer's good fortune came into play.

His father found some space for him in the upstairs of the old shoe factory that already housed both his company, Triangle Plastics Ltd., and Happy Tours, his wife's travel business. Better still, when the banks turned Dale down for a loan, his father advanced him \$4,000 to design and build the Lazair prototype. By the end of Ultraflight's first year, Cliff Kramer had loaned his son a total of about \$50,000.

While some residents of Port Colborne looked on with cynical wonder, says Linda, who is also a native of the town, Dale Kramer led a hermitlike existence. He closeted himself away in his workspace, finalizing his design and then, aided by Peter Corley, a gliding-club friend and now Ultraflight's chief pilot, building the prototype. They completed it by November 1978 and two months later trailered it down to Florida for an EAA meet called Sun 'n Fun. And the Lazair, as *Sport Aviation Magazine* later reported, turned out to be "the big excitement" at the show, winning the award for best home-built microlight.

At that moment, Dale Kramer really began to believe he had something. He and Corley decided to gear up for production. From January to August, as they toiled up, Kramer continued to refine the Lazair. For example, he moved the engines to the wings from the struts, on which he'd had them mounted. That seemingly simple change devoured hundreds of hours of design work because it was unprecedented in the microlight field.

Ultraflight began to take over more and more space in the building. And Linda, who was working as a registered nurse in Toronto, became more and more interested in the business. "I'd always liked aviation, and the guy I was dating at the time was Dale's best friend," she says. "So I'd drop in to see what they were doing every now and then on my days off."

On one of those days off, she made a friendly offer to help Dale straighten out his books and set up a bit of an office. "He pulled out a little blue suitcase from under the table and said, 'Well, there you go, Linda. That's all the books,'" she recalls. "I couldn't believe it. It was just full of Canadian Tire receipts and stuff."

Undaunted, Linda turned over the suitcase to an accountant and set about organizing the office. She continued her commuting until May 1980 (she and Kramer were married later that year), a year before

As local residents looked on cynically, Kramer holed up to produce the prototype on a wing, a prayer and a loan from his father

the company moved into its new premises and she signed up full-time.

It's clear that Linda Kramer has taken to business the way a Lazair takes to the sky. Fast. She rattles off facts and figures about sales and promotion—her main responsibilities—as if she'd been running companies all her life. But even she couldn't have predicted during that first summer where Ultraflight would go.

The acid test of whether the Lazair would fly as a commercial venture came in August 1979 at Oshkosh, the same place Kramer had found his original inspiration. And the result was a resounding "yes." Not only did the airplane win its second major award as best microlight, but Kramer and Corley wrote up 33 orders at the show and in the weeks immediately following. In other words, 33 people each coughed up either \$2,495 (U.S.) or \$3,195 (Can.), cash in advance, to a tiny Canadian company that had yet to produce a single kit.

AS ANY ENTREPRENEUR KNOWS, getting a prototype into production is hell on wheels. And Kramer and his tiny full-time staff of five ran into their share of obstacles. Several U.S. aircraft aluminum suppliers at first refused to sell to Ultraflight because they misunderstood the nature of the product. An unfavorable customs ruling tacked a duty of 4.4 percent on kits destined for the U.S. (Lazair has since won duty-free status). The upshot was that they didn't complete their first 33 orders until February 1980, three months later than planned.

Since then, however, Kramer and crew have gotten the delivery time down to about six to eight weeks, although he admits that unusually heavy orders, such as a burst of 98 last November from people wanting to beat a Dec. 1 price increase, can still put a spike in the works.

But boosting staff to a total of 21 has helped to smooth the flow. The addition in May 1981 of chief engineer Peter Lawrence, 42, has been a particular boon to Kramer. Lawrence joined Ultraflight after 15 years with the Canadian branch of the U.S. aerospace giant, Garrett Corporation.

Lawrence, in fact, was Ultraflight's 32nd customer. "I really got enthused about building the airplane and made a few modifications in the process," he says. "It got to the point where I was coming down here every couple of weeks to chat with





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Dale about new ideas and innovations, and he'd make little jokes about how 'we'll do it that way when you come down and work for us.' Well, eventually I said, 'Make me an offer.' He did, and I took it."

Lawrence has no regrets about the move, even though he took a cut in salary to join Ultraflight. And he has found an alternative to commuting from his home in Oakville. He's bought a house and 55 acres just outside Port Colborne and plans to put in a landing strip and fly his Lazair to work. That alone, he says, makes the 16-hour days and six- or seven-day weeks worth it.

While Kramer and Lawrence have been whipping production into shape, Linda has been concentrating on Ultraflight's slowly growing network of dealers and distributors. Currently there are about 40 in Canada, five in the U.S. and one in Australia. But while she says the company can now produce the volume necessary to tackle the enormous U.S. market more energetically, it's still being very choosy about whom it selects. Ultraflight insists that dealers and distributors have an aviation background. They buy their first units at retail price, but get a break of \$700-\$800 per kit thereafter.

But the Lazair does seem to have a way of attracting the right kind of dealers. Ron Dennis has been a big help on that score. An Air Canada 747 captain with 17,000 air hours under his belt, Dennis is also the airline's director of flight operations in Toronto. He also owns a Lazair. From his contacts in the business, he has been able to match the Kramers up with at least six of their dealers and distributors, several of whom are Air Canada pilots. And Dennis is president of the fledgling Microlight Owners and Pilots Association.

Even Dennis, who has the calm, unflappable tones you'd expect of an airline captain accustomed to soothing passengers through turbulence or informing them that the cluster of lights that just disappeared in the distance was Peoria, Illinois, cannot suppress his excitement when he talks about the 110 hours he has flown in his Lazair. "Because you're so much closer to the environment, you pack more experience into an hour of flying a Lazair than you do with any other kind of aircraft," he says.

Dennis is also convinced that Ultraflight has only just begun to spread its wings. The main reason, he says, is that the "little airplane isn't the end of the line. Dale has a very fertile mind and lots of other designs on the drawing board."

And so he has. In fact, he's about to go into limited production of a two-seater Lazair that flew for the first time last November. It will be limited by the DOT to use as an instructional aircraft, but there's no question that Dean Broadfoot welcomes the new edition. "I realize they put people up in the air solo in these things, who've never been up there before," he says of the single-seater. "That kind of makes me shiver. We see the two-place machine as a



The Lazair hums along at 55 m.p.h. or soars silently, sans engine, as a glider

necessity."

But Kramer has other things in mind, too. On the manufacturing side—shades of the Laser—he's already thinking ahead to licensing arrangements abroad. "We have visions of other plants in North America or elsewhere in the world, for that matter," he says. "I think we'll be making a move in that direction in the next couple of years." Just as important, he clearly doesn't suffer from the kind of tunnel vision that has left many an entrepreneur staring bankruptcy in the face when the market for his single product line disappears. "We're getting to the point," he says, "where we feel we have to look at ourselves as being in the recreational vehicle business, rather than just the airplane business."

If Kramer can put that B-school lesson to good use, he's obviously going to expand Ultraflight's potential enormously. And he says he and Peter Lawrence have been throwing around all sorts of strange ideas.

There will be a certain wonderful symmetry to the company's product line if they ever manage to devote a portion of the 100-hour work weeks they are still putting in to some serious thinking about the scheme they've all been laughing at most recently. "Well, there's a lot to be developed yet," Dale Kramer says with a smile tugging at the corners of his mouth, "but we've been talking about minisubmarines."