

How Ottawa landed the Texas Giant

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You could call it the art of the **Dell**.

Ottawa's wooing of Texas computer giant **Dell Inc.** was a tense, clandestine and sometimes rocky courtship that took more than six months before it was finally consummated with this week's announcement that **Dell** is establishing a call centre in Kanata with as many as 500 employees.

From the outset, Dell was a straightforward, demanding and secretive prospect that had Ottawa officials scrambling to meet its requirements. Dell was so insistent on confidentiality that Ottawa officials took to calling the file "Project Nacho" to ensure they didn't let the name of the company slip.

And Dell almost backed away on several occasions, including one nerve-wracking period only a month ago when the company told officials the costs of locating in Ottawa were just too high.

The nervous, whirlwind romance began when OCRI officials were given two days' notice to attend a

Jan. 19 meeting in Toronto. Provincial officials told three cities -- Ottawa, Kingston and Kitchener-Waterloo -- that a "major company" was looking to set up in Ontario.

A two-person Ottawa delegation - consisting of OCRI global marketing director Michael Darch and Don Stewart, of human resources firm InRound Innovations - gave a presentation at a Pearson Airport hotel. Only at the meeting were they told the company was Dell, but they were immediately sworn to secrecy.

Dell asked few questions, but one of them was about how the technology downturn had affected Ottawa and whether the workers who had been laid off in the past few years were still in the city or had moved elsewhere. The availability of qualified workers became a theme of the discussions for the next six months.

On Feb. 7, Marcie Grossman, who worked at the Canadian consulate in Dallas and was involved in Dell's deal to establish a call centre in Edmonton, came to Ottawa to meet

with Darch. Grossman delivered some good news: Dell was interested in pursuing discussions with Ottawa.

The meeting took place over nachos at the Dancing Mermaid restaurant. From that point on, the Dell file was known as Project Nacho. At this point, only two people in Ottawa knew that Dell was investigating the city. Darch hadn't even told his boss, OCRI president Jeffrey Dale.

"We qualify a lead before we get anybody excited," says Darch.

In mid-February, Darch was told a seven-member Dell delegation would be in Ottawa the following week. OCRI was to set up "blind" meetings with local technology companies, especially those with call centres,

and human resources and training experts. But they

couldn't say it was Dell that was considering Ottawa.

The first day, according to Darch, did not go well. Dell was looking for very specific workforce information, but OCRI had only general data.

At a tense meeting to wrap up the first day, Dell was blunt about its needs. Darch decided to change OCRI's strategy. The next day, he added another HR firm, Excel Human Resources, to the team, to provide more specific data about qualified people. And the Ottawa team even placed an anonymous career ad in the Citizen to prove how easily Dell would be able to fill its positions.

On March 31, OCRI gave Dell a proposal that was thin on benefits; in Ontario, unlike other jurisdictions, it's illegal for businesses to be given inducements like land or tax breaks to locate in a particular city.

"No incentives," Darch says he told Dell. "I kept telling them I would go to jail for that."

The proposal did outline the existing and future government programs Dell could access, including the Ontario Apprenticeship Program and a federal

workplace training program that was included in the

Liberal budget -- the budget that still hadn't passed through a divided House of Commons.

In early April, Darch was asked to arrange for a senior Dell official, Kit Thompson, to meet provincial and federal cabinet ministers, deputy ministers, Ontario Premier Dalton McGuinty and Mayor Bob Chiarelli. On short notice, Darch put together a tightly packed two-day, two-city agenda with some of the busiest people in government.

But Thompson's flight was delayed, causing him to arrive halfway through the first day. OCRI had to scramble to reschedule, but succeeded in getting Thompson face-to-face with everyone in both Ottawa and Toronto.

In meetings with politicians, Thompson reiterated that Dell liked to see government incentives when choosing a new location, but was told once again that it wasn't an option.

A final proposal was submitted by OCRI in late May. Dell turned the proposal into a contract, but threw in two additional clauses: It wanted free land from the government and wanted each level of government to be liable if another level failed to deliver on its commitments.

This brought the discussions to the brink. Darch told Dell that Ottawa couldn't sign the agreement, that both issues were showstoppers. After some tense negotiations, Dell accepted that they would receive no land and agreed to receive commitment letters from each level of government instead of a signed contract.

Thompson asked for a final conversation with the premier. On June 22, the two spoke on the phone and, according to Darch, "McGuinty closed the deal."

But the drama was far from over. As far as OCRI was concerned, the deal was done, but there continued to be no announcement from Dell. Then OCRI got word that Dell was running its numbers again and couldn't get the costs to fit within company parameters.

"The feeling was, 'Oh no'," says Darch. "Are they backing out? What's going on?"

Finally, in the first week of August, Dell said it had resolved its issues and a final press release was prepared.

"It takes nerves of steel sometimes," says Darch. "But I can laugh now, right?"

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Colour Photo: Wayne Cuddington, The Ottawa Citizen / OCRI global managing director Mike Darch was one of only two Ottawa representatives who knew in January that Dell Inc. was investigating the city as a possible site for a new call centre. For months, leading up to this week's announcement, Mr. Darch shepherded the Dell file.