

Mike Volker and the lost agreement

Michael Volker, 60, is a high-tech entrepreneur and investor involved in the development of technology-based businesses. He founded the Western Universities Technology Innovation Fund, manages the Vancouver Technology Angel Network and has been director of SFU's Industry Liaison Office since 1996. But in 1988, he was an angel investor in Waterloo, Ontario, looking for tech companies that needed money and mentors.

When Volker recently mentioned to an associate that he'd found "the agreement" in some old files, the associate expressed skepticism. Then, a few weeks later at a board meeting (Volker sits on a number of boards including Plutonic Power Corp. Inc., Visiphor Corp. and GraphOn Corp.), Volker took the 20-year-old document from his briefcase and passed the single piece of paper across the boardroom table. There it was, like a map to King Solomon's mines. Everyone at the table looked on, amazed.

Volker was 25, an engineering graduate from the University of Waterloo, when he founded the computer terminals company, Volker-Craig, in 1973. He sold the company quite profitably eight years later and remained active at the university, where he would later serve as its governor for six years. Volker liked the role of angel investor and began investing in (and advising) other high-tech startups. Then as now, the tech community around Waterloo was like a mini-Silicon Valley, attracting some of Canada's most innovative and entrepreneurial talents, so Volker had a lot of possibilities to choose from.

One of the startups that caught Volker's attention in 1988 was a little tech research company working out of offices in a strip mall above a 7-Eleven. The company was still a long way from product development, but Volker liked its management, particularly its young founder and president, who had dropped out of the University of Waterloo to run it. Most angel investors will tell you it's the people as much as the product they invest in. Not surprisingly, the young company needed investment capital and marketing experience, which Volker agreed to provide. The company had a valuation of about \$200,000 and the one-page agreement they signed gave Volker

15 per cent of the company in exchange for \$30,000 and marketing expertise.

The same year, Volker decided to move his family to B.C. to become the executive director (later chair) of the B.C. Advanced Systems Institute – an organization designed to invest in and nurture technology development on the West Coast. The move meant, however, that he could no longer offer the hands-on advisory role he'd agreed to provide the startup. At the same time, the young company won a contract that came with a substantial advance, and

most of its employees agreed to take stock options, so the need for cash was no longer desperate. Volker and Mike Lazaridis, the company's president, decided to allow the agreement to lapse.

That's why today Volker owns an astonishing piece of

paper and not 15 per cent of Research In Motion Ltd. (RIM) – now valued at over \$75 billion and one of the largest and most successful companies in Canada.

Volker is blessed with the vision shared by most investors: they keep their eyes off the rear-view mirror. About RIM, he now says, philosophically, "It shows the potential of the market. You never know which product will be successful."

As the result of his choice to move to B.C., he's a wealthy man whose investments include such winners as Sierra Wireless; he's a large player in a smaller but increasingly growing high-tech community in B.C.; he's had the satisfaction of assisting countless other entrepreneurs and new tech break-outs; and he's raised his family in the climate and social environment he wanted – all in all, nearly anyone's definition of success. For him, RIM is the loss that proved money isn't everything, and certainly not the only thing.

He allows, however, that sometimes just seeing a BlackBerry can raise the hair on the back of his neck.

