

Thursday, February 11, 2010

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[Previous Week](#) | [Monday](#) | [Tuesday](#) | [Wednesday](#) | [Thursday](#) | [Friday](#) | [Next Week](#)



[./Morning Post](#)

Posted February 10, 2010

[Energy Entrepreneur](#)

Creator of Innovative Green Thermostat Poised for High Growth with Awarding of \$1.7 Million Ontario School Boards Projects

Engineer-turned-entrepreneur now ready to take his company to the next level after receiving expert advice from ISCM Investment Network Mentors

Markham – You may have gold in your hand, but if you don’t know how to sell it, it doesn’t do you any good. That’s how Hugues de Milleville describes the experience of trying to take his company, Log-One Ltd. – creator of intelligent Green Thermostats™ and energy management systems for school boards and multi-unit residential buildings – to the next level. But thanks to expert financing and sales advice from the Innovation Synergy Centre in Markham (ISCM) Investment Network, he’s finally on his way and recently secured four projects totaling \$1.7-million through the Ontario Ministry of Education.

The projects involve the installation of the company’s innovative technology at four Ontario school boards: the Upper Canada District School Board – which is taking the lead on the projects – the Dufferin Peel Catholic District School Board, the Niagara Catholic District School Board and the Toronto Catholic District School Board.

“This is huge because it gives our company the validation we needed for investors and customers to take us seriously,” says de Milleville, reacting to his company’s newest success. “We always had excellent products; we just weren’t very good at getting the word out.”

Log-One’s project with the Ontario Ministry of Education through the four school boards is part of the Green Schools Pilot Initiative, a two-year program launched by the Ministry

in order to give school boards the chance to purchase, test and showcase green technologies. As one of 32 companies selected to participate, Log-One will provide eight installations of its patented Green Thermostat and energy management system to eight schools across the province, and that means growth.

“We will be hiring two full-time employees and subcontracting several others,” says de Milleville, who is looking forward to returning to the technology side of his business after spending the last year working with his ISCM Investment Network mentor to develop marketing efforts. “For this contract, we will also be interfacing our Green Thermostats with building automation systems, which will open our company up to a multi-billion-dollar market in North America,” he adds.

Historically a research and development company, Log-One began to develop its unique line of green thermostats and energy management systems in 1995, zeroing in on a niche market for intelligent thermostats that were more sophisticated than programmable thermostats but not as complicated as full-blown building automation systems. Despite having no dedicated sales force in place, the company sold roughly 8,000 units, but de Milleville says he knew the potential was greater.

“My background is electronics engineering, not business smarts,” he says. “So I began to research what we needed to do in order to reach the next level.”

After visiting the ISCM Investment Network in the summer of 2008, de Milleville was introduced to mentor John Mertl, a partner with the Russell Mitchell Group of Toronto. An expert in clean technology whose focus is on helping early stage businesses grow, Mertl immediately identified Log-One as a company facing a huge opportunity for tremendous success.

“It was clear to me that they had an innovative and unique technology that was well protected by patents,” says Mertl. “What they were lacking was the capital and expertise around commercialization.”

Working with the Investment Network, de Milleville honed his presentation skills, created a 10-minute pitch for investors, and received crucial guidance on preparing his expression of interest and business case for the Green Schools Pilot Initiative. Now he’s investigating the possibility of re-branding his company and continues to meet with his mentor on a weekly basis to review all major initiatives.

“There are many great technologies out there, but most entrepreneurs face the challenge of commercializing them,” says Catarina von Maydell, Director of the ISCM Investment Network. “The Investment Network has a strong track record of helping entrepreneurs take those great ideas to market successfully.”

What sets the Log-One product line apart is its unique patented ability to determine whether or not rooms are empty or occupied, using a combination of motion detection, door contact technology, and intelligent software. For example, a Log-One thermostat

will detect that if a classroom door hasn't opened by 9:30 a.m., it's most likely a snow or professional development day and will automatically revert back to the overnight temperature. If the same thing happens two days in a row, it concludes that it must be a week-long break and maintains the overnight temperature until the following Monday.

The unit also features a highly efficient patented warming methodology that focuses on an end result (for example, a room must reach 21 degrees Celsius by 8:00 a.m.) as opposed to a starting time, such as beginning to heat at midnight. "We start pre-heating with 50 per cent of the available heat capacity and then monitor the room progress in real time, automatically adjusting for outside temperature and other factors," describes de Milleville. "We stop and restart so that we use the exact amount of energy required to bring the temperature of the room to where a user wants it to be, with no wastage."

At Dante Alighieri Academy, a school in the Toronto Catholic District School Board, installation of the Log-One Energy Management System resulted in energy savings of close to \$900 per classroom during a seven-month period, which produced an equipment payback of less than six months. Similarly, a test completed by the Dufferin-Peel Catholic District School Board in Mississauga, showed average energy savings of 36 per cent after Log-One controllers were installed in portable classrooms.

Suitable for any location where users do not pay the utility costs, the Log-One products solve many of the problems facing plant managers and property owners today, including escalating energy costs, lack of control over individual room temperatures, user abuse of energy and high maintenance costs associated with the need to constantly re-program equipment. After installing Log-One Green Thermostats in its units, for example, the Fenelon Area Independent Living Association (FAILA) in Fenelon Falls, was able to regain control over tenant energy abuse and escalating heating and cooling costs.

"What we wanted most was the capability of controlling our costs and saving money, without upsetting the tenants in any way," noted FAILA Executive Director Sandra Barrett. "The Log-One retrofit demonstrated 30 per cent energy savings in our building and our tenants have been very supportive of our efforts to reduce costs."

With the recent school board project calling for all work to be completed by September 2010, Log-One is gearing up for busy months ahead, but de Milleville says he'll still be taking time to meet with his ISCM mentor and attend networking events.

"The ISCM Investment Network is an excellent venue for networking with both the business and investor community," he says. "We consider ourselves very lucky to have them on our side."