

**Canadian Regional
Development**
A Critical Review of Theory,
Practice, and Potentials



**Développement régionale
canadienne**
Un examen critique du théorie, de
pratique et des potentiels

INNOVATION CASE STUDY

Versatile Stones Inc. Innovation in Newfoundland's only Cultured Stone Producer

September 2013

Prepared by Kyle White and Heather Hall
Department of Geography
Memorial University of Newfoundland



In 2005, John Verville established Versatile Stones in the town of Centreville-Wareham-Trinity. Verville was introduced to a cultured stone provider in Montreal and he saw potential for this industry in Newfoundland and Labrador (see Figure 1). The firm now employs 7-8 full-time local staff in the summer months and 3 during the winter when housing construction is slower. The company currently has seven distributors in Stephenville, Deer Lake, Bishop's Falls, Gander, Conception Bay South, Mount Pearl, and St. John's as well as a showroom in Centreville. While some firms perceive rural NL as a disadvantage, Verville appreciates the quality of life and the significantly lower land values.

Figure 1: Residential Use



Figure 2: Commercial Use



in rural Newfoundland on commercial structures and homes, Versatile has changed this perception (see Figures 2 and 3). In fact, the stone is surprisingly low cost and has a 30-year guarantee.

A second innovation involves a unique partnership with Memorial University. Versatile worked with the Canadian Manufacturers and Exporters (CME) and the National Research Council (NRC) to bring a Memorial University researcher, Dr. Assem Hassan, to Centreville. Dr. Hassan worked with Versatile to discover new methods of curing the stone faster and more efficiently. As a result, this new method of production allows the stones to be created and shipped to the client in approximately 10 days versus the previous method, which often took up to 6 weeks. Verville, also sends his stone to the concrete laboratory at Memorial University to test the strength of the concrete to ensure quality.

Versatile's biggest innovation is their product, which is new to the province. Initially, Newfoundland consumers were less receptive resulting in low sales. However, Verville convinced a developer in St. John's to use his product, which resulted in above-average returns on the home. Interest in Versatile increased as more developers realized the profitability of using cultured stone on new homes. Verville also showcases his products at home show in St. John's. Another challenge was the perception that cultured stone is an expensive product. However, by showcasing work completed

Figure 3: Residential Accent



To expand potential clients, Verville actively seeks new consumers by travelling across the province. However, he is seeking to reduce or eliminate these travel costs through avenues such as appearing on *Manufactured Right Here*, a television program that features local firms. This would showcase Versatile's products to a wider consumer base and potentially lead to increased sales.

Versatile has benefited from a variety of the support institutions. For funding support, Versatile has turned to the Atlantic Canada Opportunities Agency (ACOA) and the Department of Innovation, Business, and Rural Development (IBRD). Versatile is also a member firm in the CME Central Continuous Improvement Network (CCIN). The network formed three years ago with seven member manufacturing firms that exchange business advice and new ideas. Firms also receive training and mentoring from CME that improve their business practices. One example is LEAN training that examines a firm's production and seeks new methods of improving efficiency.

Despite their success, there are two challenges that limit Versatile's production and growth. Some businesses have imported cultured stone and employed a mason to install the product. Unfortunately, this work often lacks a vapor barrier resulting in inadequate installation causing the stone to crack and/or crumble. As a result, Versatile has had to overcome negative perceptions of cultured stone caused by this sub-standard installation. The second challenge is competition for local labour. While Versatile offers a reasonable wage, they cannot compete with the wages offered by mega projects in Long Harbour or Alberta. Fortunately, Versatile maintains a reliable local labour force that allows continued production.

As the only cultured stone producer in NL, Versatile must rely on new marketing innovations to overcome obstacles in the Newfoundland market. However, Verville's willingness to learn from local firms, support agencies, and the university will further Versatile's success as the business expands.

References

Interviews conducted with the Operator of Versatile Stones Inc.

Versatile Stones. (2013). Versatile Stones Inc. Retrieved from:
<http://www.versatilestones.com/>

Figure 1 retrieved from: <http://www.versatilestones.com/residential1.html>

Figure 2 retrieved from: <http://www.versatilestones.com/commercial.html>

Figure 3 retrieved from: <http://www.versatilestones.com/accents.html>