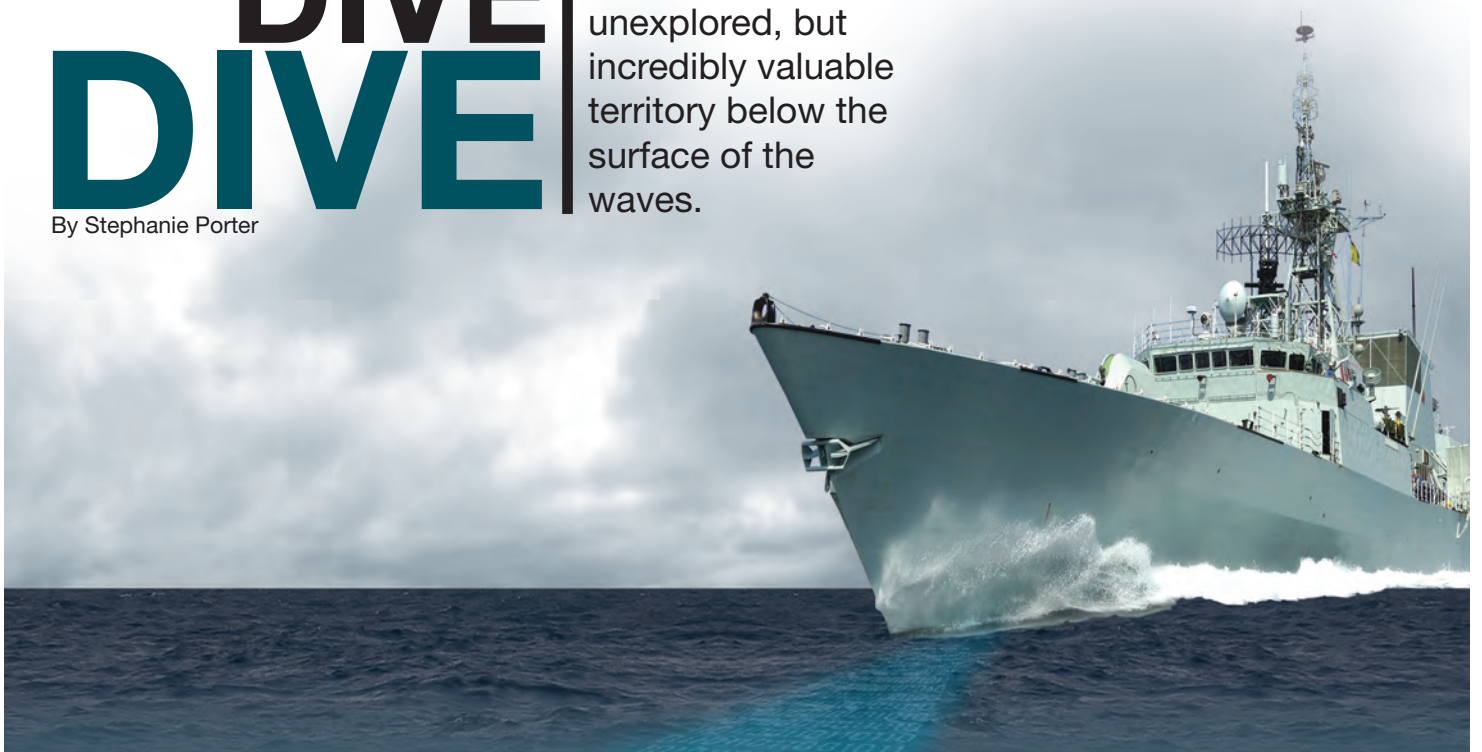


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By Stephanie Porter

Marport Deep Sea Technology's future lies within the vastly unexplored, but incredibly valuable territory below the surface of the waves.



Karl Kenny is known for his straight-talking approach to business and strategy. Yet the CEO of Marport Deep Sea Technologies can get surprisingly philosophical when speaking about the mysteries of his “marketplace”: the ocean.

“Whatever religion you are, you’re taught to look to the sky, at the heavens,” he says. “But we know so little about the place we live on. I ask you, what do we really know about the sea? Every day I’m reading about new discoveries and new species and really cool new stuff that comes from the bottom of our sea.”

Kenny firmly believes the company he helms will play a valuable role in seeing and understanding what’s down there. The unexplored waters that cover vast portions of our planet hold far more than biological intrigue. While Kenny is fascinated by the promise of scientific discoveries yet to be made, he’s also well aware of the growing importance of the

food within the sea and the fuel that lies beneath it. Plus, as a former naval officer as well as a politically tuned-in modern citizen, he appreciates the defensive significance of ocean territory. It is in the applications of military intelligence, surveillance and reconnaissance that Marport stands to make its most profitable strides. For this year, at least.

Based in St. John’s, Newfoundland, Marport is a leader in undersea sensing, communication and visualization technology and products. From its pioneering software-defined sonar to the development of its first unmanned, untethered underwater vehicle, Marport is expanding the clarity, ease and flexibility of communication between those on the surface and machines far below.

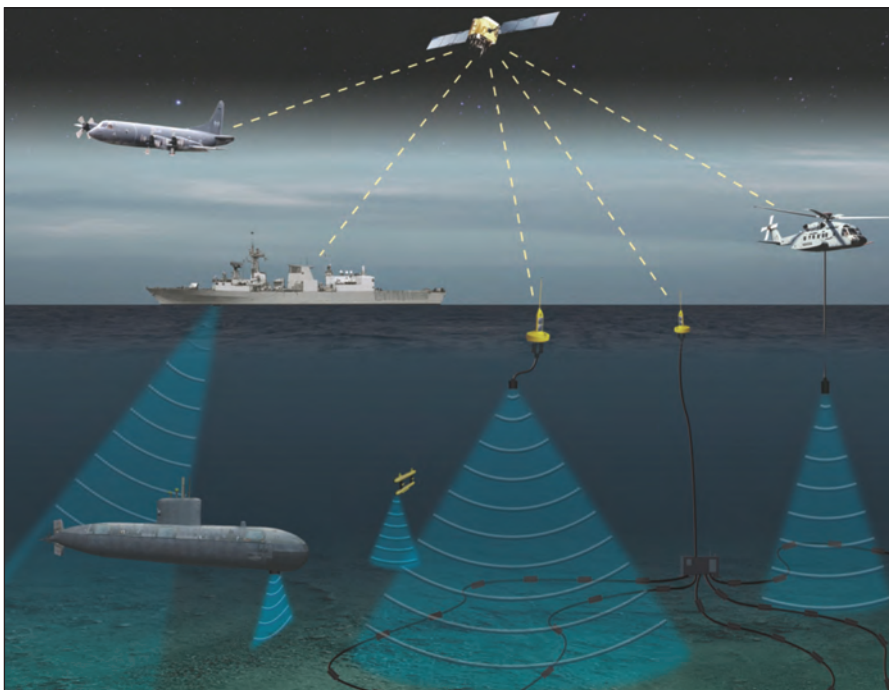
What started as a company focused on meeting the needs of Iceland’s high-end deep-sea fishing industry has evolved into an exciting force in the broader commercial fisheries, oil and gas, ocean sciences and defence sectors.

Where Marport and Kenny have truly excelled, however, is in developing cutting-edge technology, creating useful products out of it and, most importantly, shoehorning them into a marketplace that’s willing to pay for them – just as they predicted.

Marport had a banner year in 2009, acquiring one major company and signing a multi-year research and development deal with another. Within those 12 months, Marport doubled its sales numbers and workforce. It’s projecting that sales figures will double again in 2010.

“We’re pretty close to where we want to be,” Kenny says. “We have some really great talent, they’ve worked really hard and as a team (we have operations in Iceland, France, Spain, Ontario, Seattle) we all work well together. We’re able now to get to the point where we’re being taken as being very credible.”

Photos, starting from top: Karl Kenny, CEO of Marport Deep Sea Technologies; Marport's Unmanned Untethered Submersibles development team, standing with their latest Unmanned Underwater Vehicle (UUV), the SQX-500 UUV; Marport's sonar products use sound waves to create digital images of what the software "sees" underwater.



Marport's origins can be traced back to 1996 in Iceland; Kenny says he and a team of investors "Canadianized" the company in 2003. Marport's original sonar technology caught Kenny's attention, but it was a vision for its broad applications that galvanized his passion and commitment. "We understood the implications of the technology," he says. "The Icelandic guys were doing some interesting stuff in underwater sensing and underwater communication, working at great depths.... You say, fine, that's really interesting technology. Then you come back to your bubble and say, OK, what can we do in the marketplace?"

"You have to think really hard about how the world is going to change in the next 18-24 months. And make sure you're positioned to meet that change and not develop for what you see today. And that's really tough to pull off."

From 2003 to 2006, Marport's engineers and designers slowly built on the company's product offerings to the commercial fisheries market, where it remains successful. Important partnerships with Memorial University, the Marine Institute and more were formed and continue to this day.

The biggest challenge at all stops, says Kenny, was "feeding the beast." Competition among new and small technology firms for investment dollars is notoriously fierce. Marport enticed financial interest from the private sector, as well as the federal government's Atlantic

Innovation Fund and National Research Council. Overall, millions were invested in developing Marport's flagship technology: software defined sonar.

Sonar uses sound waves to create digital images; it is key to "seeing" underwater. Marport's software defined sonar products break new ground by being adaptive. This means older sensors can be reprogrammed with new software to meet evolving needs without a major investment in hardware. As well, underwater sensors can be updated on the fly by uploading new information wirelessly from land or a surface vessel. This offers time and money-saving flexibility in a wide range of applications.

With this technology in hand, by 2006 Marport was ready to extend its reach in the marketplace. "If you're a new company trying to sell technology that's already been done by the big guys, you're toast," says Kenny. "But if you're able to show up at the party with something that's of tactical and strategic interest, you're going to be invited to play."

"We have a core set of technology now that we can leverage into products and commercialize into markets."

There's no doubt that the defence sector is currently Marport's focus. The big public step came in mid-2009, when Marport bought C-Tech, a 40-year-old company devoted to designing and manufacturing sonar systems. Based in Cornwall, Ontario, C-Tech offered complementary technology, experienced workers and certified manufacturing facilities. For a fledgling, fighting company like Marport, C-Tech also offered a strategic shortcut.

Acquiring C-Tech "was designed to accelerate our penetration into the defence market," says Kenny. "That's a pretty closed club, a pretty exclusive club and... C-Tech had the key to the membership club, they had an excellent reputation, they built legacy systems, and they have some pretty cool technology in their own right... it was a beautiful integration."

It took about a year to finalize the deal. Which is no time at all, according to Kenny, considering the advantages gained by bringing the two forces together.

The next big collaboration was announced in late 2009 when Marport signed a multi-year, multi-million dollar research and development deal with General Dynamics. General Dynamics has more than 92,000 people worldwide and is

one of the largest defence contractors in the country, supplying sophisticated sonar systems to a number of the world's naval forces. It's another perfect fit for Marport; another clear pathway to market and sales.

"There's renewed interest in undersea," says Kenny. "And I think we fit pretty directly into that demand, whether it is underwater surveillance technologies or sensing or communications or even our own unmanned robot - an unmanned underwater vehicle that you can strap various sensing devices onto to go and try to locate the nasty things out there."

Kenny feels Marport has established itself in the fishing industry, and sales continue to be strong in this sector. He predicts the lucrative military market may occupy the bulk of the company's attention for the next one to three years. Beyond that, Kenny sees more partnerships leading the day when Marport is equally as advanced in the ocean energy and sciences sectors.

"I think we've developed a pretty diverse business model. And central to it all is technology and the innovative aspect of that technology. But technology by itself is really difficult to deposit into a bank account, but if we can leverage that technology as a core in various projects, you will be able to bring it to the bank. And that's what we're doing."

Outside of ensuring a steady source of investment money, Marport shares another major and constant challenge with most other companies of its size and scale: the battle to stay ahead of the pack. "You need to make sure nothing is going to come along and change your game right away. You're constantly on, you're hyper-aware, all antennas are up all the time and all radar are spinning to make sure (you're ahead of) all the sources of competition."

At 110 people, Marport is still a small company, albeit one with a strong foothold in the global marketplace and big plans to make a difference with its signature technology. "We have to keep moving ahead. We're digging a ditch, digging a ditch, and every day we're just shovelling ahead.... Three things are important: you've got to believe in what you're doing every damn day, you've got to commit to what you're doing every damn day, and you've got to execute. Because there are other people out there who want the market share we're after just as much as we do." 🍷

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Age: 39 Gender: M
Occupation: Country Music Star

Diagnosis: Diabetic Nerve Pain Sufferer

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