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Clinicare to create Saskatoon jobs

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REGINA -- Clinicare Corp. of Calgary, which develops electronic records software for medical practices, plans to create a minimum of six jobs in Saskatoon -- with the possibility of more in the future -- with \$3 million put into the company by Investment Saskatchewan.

The Crown-owned fund announced the investment Tuesday.

Clinicare plans to use the money to add to its sales and marketing initiatives, increase its development team and relocate some existing and new positions to Saskatchewan, said Brian LaBerge, senior investment director at Investment Saskatchewan.

"We believe there will be positive economic benefit to Saskatchewan and ultimately a positive return on investment," LaBerge said in a press release.

Dennis Niebergal, president and CEO of Clinicare, said in an interview Tuesday Clinicare plans to create a "minimum of six new jobs in Saskatoon," including software developers and programmers, service and R&D jobs, by Dec. 1.

"It depends on our growth," Niebergal said, adding the privately held company wants to grow by 400 per cent over the next three years. "We want a bigger presence in Saskatchewan."

Niebergal said Saskatchewan is "good place for software development," with "good talent" coming out of both universities. And the \$3-million investment will help the company grow, both here and in the U.S., where Clinicare currently has 20 per cent of its sales, he said.

Clinicare, which has specialized in software development for physicians since 1984, was recently recognized as the Canadian Health Informatics Company of the Year for 2005.

Clinicare has branch offices in the United States and Canada, along with its head office in Calgary.

Investment Saskatchewan, a subsidiary of Crown Investments Corp., manages an investment portfolio of \$409 million in a variety of industries and has a capital allocation of \$50 million for new investments annually.

Donna Harpauer, the Saskatchewan Party's deputy critic for Investment Saskatchewan, says the \$50-million allocation is meant to be invested in Saskatchewan businesses.

"The understanding was that it was to leverage public capital to attract private capital for businesses in Saskatchewan. This business is based in Calgary."

Harpauer added the Clinicare investment looks similar to a \$3-million investment in Pangaea Systems, another Calgary-based software company that promised to bring jobs to Saskatchewan three years ago.

The company set up shop in Regina in September 2003, but pulled out of the city in November 2004, blaming the high Canadian dollar for derailing its business plan.

Harpauer said the Clinicare investment raises a number of questions.

"How many jobs were promised for this one? How soon will these offices be opening? What assurance do we have that this is not just another Pangaea?"

As for concerns about jobs, Niebergal, whose parents hail from Neudorf and Melville, said the company is giving up an equity stake and a seat on its five-member board as part of its agreement with Investment Saskatchewan.

"It's not just an equity investment. I'll stake my name on that."

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