



Remarks by Darren Entwistle | President and CEO, TELUS

Fraser Institute T. Patrick Boyle Founder's Award
November 17, 2011

Thank you Peter for that kind introduction.

Ladies and gentlemen, I am deeply honoured to receive this award and I extend my heartfelt gratitude to the Fraser Institute.

As a businessman, Mr. Boyle relied on a strong team and he recognised that no great accomplishment could be executed by one person alone.

I share Mr. Boyle's belief in spirited teamwork.

Indeed, this award belongs to the 40,000 members of the TELUS team whose skill and passion have elevated our company to become the global leader we are today.

Following the same free market principles that the Fraser Institute promotes, TELUS has outperformed all of our peers around the world over the last decade, generating a 139 per cent return for shareholders since 2000.

Let me share with you this evening three leadership tenets that are helping TELUS realise: global leadership; giving back to our communities; and transforming healthcare.

We draw inspiration from this quote by George Bernard Shaw that has hung in the TELUS boardroom for the past eleven years.

"...The people who get on in this world are the people who get up and look for the circumstances they want and if they can't find them, make them."

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Our first leadership tenet is having the courage to innovate, embracing the risk that accompanies it... and daring to be a world leader.

Leaders make their own circumstances.

The circumstances at the turn of the millennium indicated that smartphones were the exclusive domain of business people, the Internet was just for geeks, and Canada's enormous geography was just too large to be bridged by a single technology company.

TELUS was alone in its vision of telecom's future driven by growth in wireless and data services, and in believing that a western company could be successful across Canada.

Today, by comparison:

- Nearly half of our population uses a smartphone;
- Everyone uses the Internet; and
- Wireless and data services now make up three quarters of TELUS' revenue, with 40 per cent coming from outside western Canada.

Remarkably, TELUS is the only telco in the world that has the same strategy today as it did eleven years ago.

In 2009, we took the risk to make a company-defining investment in new wireless technology during a time when our global peers were scaling back in the face of the economic downturn.

As Mark Carney pointed out in the video, TELUS did the opposite of the conventional and made its own circumstances.

We knew, having already invested \$92 billion in Canada over the last decade, including \$25 billion in British Columbia, that our purchasing power would stretch further.

This enabled our company to secure new technology at favourable costs when our competition was standing still.

Today, TELUS has one of the most advanced wireless networks in the world.

This means Canadians enjoy the fastest speeds, superior coverage and innovative services on the latest 4G devices.

Without the power of this network, your iPhone would be a paperweight.



To put the scale of this investment into context, only 20 telecom companies – out of 600 worldwide – now operate a 4G wireless network.

Indeed, the map before you shows the nominal 4G coverage in the United States.

The reality is that the United States is a year behind Canada in its deployment of 4G technology.

Furthermore, there is no European comparison to TELUS' extensive wireless coverage in Canada.

Indeed, you can see the sparse 4G coverage in Spain, Germany and Italy.

Moreover, you can also see the non-existent 4G coverage in France and the United Kingdom.

In fact, as shown on the screen, you could fit the entirety of Europe's geography into just our Western Canadian wireless footprint.

Our technology investments have allowed us to offer Canadians a revolutionary home entertainment experience through Optik TV, delivered on our state-of-the-art fibre optic network.

With a product that is superior to anything else on the market, we now have half a million TV clients, and are rapidly expanding.

Remarkably, we have created the circumstances that have earned TELUS the distinction of being the fastest growing television provider in the world.

Our brand promise, the future is friendly, reflects our values as an organisation and our desire to make communications technology enjoyable and accessible for all Canadians.

We chose the diversity of nature because it mitigates the anxiety people feel concerning the pace of change in technology by being approachable and engaging.

Moreover, the breadth and depth of nature allows us to achieve two critical business objectives that are typically mutually exclusive: familiarity and freshness.

Under the circumstances, when we launched the brand a decade ago, people wondered what on earth a leaping lizard had to do with technology.

Moreover, few believed TELUS' corporate identity, originating in the west, could realise such resonance across Canada, transcending diverse cultures.

Today, TELUS has one of the most advanced wireless networks in the world.



**Our brand and culture
are embodied in the
vision for TELUS
Garden, our new
national headquarters.**

By making our own circumstances, TELUS has been honoured as the number one brand in Canada, becoming so prevalent that people recognise a TELUS ad without even seeing our logo.

Today, our brand has grown in value to \$3 billion.

Most companies fail to appreciate that a brand represents the sum total of an organisation's behaviours in keeping the promises it makes to stakeholders.

We believe that we can only deliver the best results in the industry by having the best team.

Over the past decade, we set out to make the circumstances to turn a 117 year old, former monopoly telco into a performance culture and take the five differing identities of BC TEL, EdTel, AGT, Clearnet and QuebecTel and meld them into one team.

Reflecting our brand, TELUS has built a culture of diversity and inclusiveness, fostering a vibrant exchange of ideas that has produced an organisation that learns from successes and mistakes alike and where the whole is greater than the sum of the parts.

A company's products can be imitated frequently, but culture is hard to replicate because it requires true intention to create and optimise hard-wired, organisational disciplines that define how you operate as a collective.

Ultimately, culture is the only sustainable competitive advantage.

Certainly, our brand and culture are embodied in the vision for TELUS Garden, our new national headquarters.

TELUS Garden will be a beautiful and unique destination where leading-edge technology, urban living and environmental sustainability are elegantly integrated into a dynamic community.

The \$750 million investment will include Canada's first LEED Platinum office tower and set the standard for green living and working, utilising 30 per cent less energy than other developments of its size.

This project would not be possible without our partners who are with us tonight: Ian Gillespie, and Gregory Henriquez.

As important as our investments in infrastructure, brand and culture have been to our success, our next leadership tenet is near and dear to our hearts.



TELUS believes deeply in the symbiotic relationship between the success of business and the welfare of our communities.

When I was younger, my father taught me a very important lesson about how to create the circumstances to contribute to society.

He said, “Embrace technology as a way to enhance our quality of life. But never forget that it is not, and can never be, a substitute for human compassion.”

TELUS believes that in order to do well in business, we must do good in the communities where we live, work and serve as citizens.

We embrace a simple philosophy – we give, where we live.

Since 2000, our TELUS family has donated a quarter of a billion dollars, and more importantly, volunteered with our hearts and our hands, over 4 million hours in communities across Canada.

We also recognise that communities want to make their own circumstances.

We believe passionately that charitable giving decisions should be owned locally, particularly given that our philanthropic investments originate from our customers.

This is why, since 2005, we have founded eleven Community Boards from coast-to-coast.

These boards are led by luminaries who exemplify community commitment...

...from Rick Hillier in Atlantic Canada to Mel Cooper, Nini Baird and Senator Nancy Green Raine who chair our three Community Boards here in British Columbia.

Together, our Community Boards have proudly contributed over \$30 million to 2,300 grassroots projects across Canada.

These boards help vulnerable youth in our local communities to improve their quality of life and enable them to reach their full potential.

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Our Community Boards helped TELUS be recognised as the Most Outstanding Philanthropic Corporation in the world in 2010 by the American Association of Fundraising Professionals.

TELUS is the only Canadian company in history to receive this global award.

I am so thankful to our Community Boards and every one of our team members for their selfless efforts.

TELUS is also using our expertise in social media to make a difference in the lives of our citizens, and sometimes, our passion turns us pink.

For every Pink BlackBerry sold last year, TELUS made a \$25 donation to regional hospitals across Canada for the purchase of digital mammography equipment.

To complement this effort, we launched a Go Pink Facebook campaign, receiving an incredible outpouring of support with nearly 1 million people turning their Facebook picture pink in support of a world without breast cancer.

Remarkably, we raised \$3 million enabling the purchase of 15 digital mammography machines for regional hospitals across Canada.

Moreover, Go Pink with TELUS was nominated as one of the top three social media campaigns in the world by Facebook.

Our sequel to Go Pink will create a brighter future for Canadian patients awaiting organ transplants.

Some 87 per cent of Canadians agree becoming an organ donor is a good idea, yet only 14 per cent have registered.

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Together, with the David Foster Foundation, we are driving public awareness and a step-change in engagement.

Through our social media networks we are inspiring Canadians to sign up with their provincial organ donor registry.

So far, we have contributed \$650,000 toward this important cause and TELUS team members are strengthening our efforts by sharing stories about their personal experience with organ donation.



The third leadership tenet is that global leaders make the circumstances to answer society's most profound challenges.

Despite having one of the highest rates of health spending in the world, our healthcare system is in the midst of a crisis of historic proportions, impacting the way we care for our children, our parents and the prosperity of future generations.

TELUS has invested more than \$1 billion in bringing healthcare information technology to market.

We have a dedicated team of 1,500 health innovators who are creating next-generation solutions to answer Canada's healthcare challenges.

Indeed, TELUS has been recognised by Branham 300 as the number one Canadian Healthcare Technology Company for four consecutive years.

The cost of healthcare in Canada is escalating, largely due to our aging population and the prevalence of chronic diseases.

According to a recent report by the Fraser Institute, annual healthcare spending across Canada will reach a quarter of a trillion dollars by 2020, representing 50 per cent of all provincial spending.

The cost of healthcare is not only crowding out funding for public services such as education and public safety; it is also compromising private sector investment in new technology and innovation as the private sector struggles to fund the rising costs of health benefits.

It is difficult to comprehend how we will deal with these staggering challenges and the burden we will be placing on our children, if we do not create the circumstances to prepare for what undeniably lies ahead.

Disconcertingly, the 2010 Commonwealth Fund Health Policy Survey compared eleven developed countries and found that Canada has:

- The worst access to a doctor or nurse when you are needing care;
- The highest use of emergency rooms – generating immense pressure on the acute care system; and
- Extreme delays for specialist appointments.



The circumstances need to change.

As leaders, we have an obligation to develop solutions to ensure that our healthcare system is sustainable for generations to come.

Indeed, the specialised nature of our Canadian approach to healthcare, coupled with our geographic size and dispersed population, demands that we leverage technology to better connect patients with the best informed medical experts.

This will definitely improve productivity and health outcomes.

Certainly, in other areas of our lives, technology has empowered us with convenience, speed and access to services, whether it is paying bills or downloading music and movies.

Healthcare should not be any different.

For example, each year in Canada, our healthcare system experiences:

- 1 billion diagnostic events;
- 30 million doctor visits; and
- 3.5 million surgical procedures.

Unfortunately, most medical appointments are booked manually resulting in unnecessary delays, human errors and significant administrative costs.

When Nicholas Negroponte wrote his seminal book “Being Digital” in 1995, and forecast how the interactive world and the information age would merge, I do not believe that he thought healthcare would be an exception.

In fact, in his belief that computers would make life better for everyone, it was Negroponte who said, “Computing is not about computers any more. It is about living.”

Properly deployed, today’s technology can improve the flow of information across the healthcare continuum to achieve better outcomes for patients and better productivity for medical practitioners, for less money spent.

By way of example, TELUS is helping patients with heart disease receive faster and better care in communities across Canada through our Telehealth technology.

Let’s consider a female patient living in Cranbrook.



If she is suffering from a heart condition, she can visit the Telehealth enabled clinic in her community and receive treatment from a cardiologist based in Kelowna, using high-definition videoconferencing in both locations.

This patient's consultation can occur cost-effectively and without the risk, stress and expense of travelling hundreds of kilometres from home.

Her cardiologist can manage her care by analysing real-time images, coupled with an in person exam by a nurse in the Cranbrook clinic.

Furthermore, TELUS' broadband technology is enabling the home to be the hospital room of the future, in a world where we will undoubtedly have a shortage of hospital beds.

Once home this patient can use our Telehealth services to easily monitor her blood pressure, heart rate and confirm she has taken her medication.

She can share this information instantly with her physician, all from the comfort of her own home.

This patient can ask questions, report any concerns, and receive a consult all in real time.

The communities that have embraced this technology and these services have seen emergency room visits and re-admissions reduced by 40 per cent for patients with chronic diseases.

Moreover, medical practitioners who once provided home care to 20 patients per week are now able to monitor 120 patients per day.

This is the type of innovation that is creating the circumstances for successful healthcare transformation... if embraced, supported and widely deployed.

Exacerbating the problem of rising healthcare costs is the fact that patients are suffering as a result of medical errors that technology could prevent.

A study published in the Canadian Medical Journal estimated that errors result in more than 10,000 deaths annually.

Indeed, recent studies indicate that up to:

- 40 per cent of prescriptions contain errors;
- 50 per cent of patients do not take medication properly; and
- 20 per cent of all prescriptions issued never get filled.



Think about that for a second. What if these parameters were the margins of error for the next flight you are boarding?

Sadly, it is likely that one-third of the people in this room have a friend or a loved one who has been the victim of a preventable medical error.

Fortunately, the opportunity for change through electronic medical records is tremendous.

Whilst TELUS is the national leader in e-health, providing electronic health records for more than 5 million Canadians, our country's progress in the adoption of digital records is slow in comparison to other nations.

In Australia, Italy, Holland, New Zealand, Sweden, and the UK, electronic medical records are universal.

In a study released by the New York-based Commonwealth Fund, Canada ranked last in physicians' use of digital records at 37 per cent.

Disconcertingly, one out of four Canadians track their medical history by memory, or not at all.

Ironically, 93 per cent of Canadians believe that medical errors resulting from manual processes can be prevented by managing health records electronically, thus saving lives.

Admittedly, no electronic system is perfect, but in terms of the secure storage and movement of information across the healthcare continuum, electronic health records are a quantum leap above color-coded folders and hand-written prescriptions in medical offices.

Canada Health Infoway's goal is to provide all Canadians with an electronic health record by 2016.

TELUS advocates for a faster pace of change given that we are already significantly behind.

Importantly, TELUS' healthcare technology engages citizens as an equal partner in the management of their health.

Last year, we launched TELUS Health Space, an innovative electronic health platform that brings people and technology together in a way that is future friendly.

We are offering citizens one of the most important pieces of the healthcare puzzle – access to their own health information.

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TELUS Health Space enables us to manage and share our personal health information across all of our devices from the PC, to the i-Pad, to the smartphone.

This platform enables citizens to create the circumstances that allow them to take greater responsibility for their health and that of their families.

New mothers, who are effectively the chief medical information officers of their household, will now have the ability to start a personal health record for their newborns.

From vaccinations, regular checkups and allergies, to drug interactions and medical emergencies, personal health records will track the medical history of this child, wherever her life's journey takes her.

Indeed, TELUS Health Space supports more expeditious and accurate medical care and diagnostics throughout one's lifetime.

I am confident that through innovation we can continue to make the circumstances that improve the health of Canadian families.

Today's electronic culture can also help with Type 1 diabetes where Canada has the third highest rate in the world amongst children under the age of 15.

Unfortunately, three out of four children with diabetes are re-admitted to hospital because they are not following their medical routine.

If we can reduce this number through educational technology for kids, we can improve productivity, and more importantly, save lives.

Right now TELUS is piloting our MedPals application with Dr. Louis Geoffroy and families with diabetic children at St. Justine's Children's Hospital in Montreal.

This innovative, online game helps kids with diabetes learn about their condition, subtly encouraging them to manage their disease through game-playing on a secure, web-based platform.

Through MedPals these children learn about the importance of monitoring their glucose levels, following a healthy diet and exercising regularly whilst connecting with other kids challenged with Type 1 diabetes.

I can think of no greater innovation than making the circumstances that improve the life of a sick child and their family.



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Many have argued that technology investment in healthcare is a cost that we cannot afford.

In fact, the exact opposite is true.

The TELUS team is dedicated to transforming healthcare through technology innovation that will crack the code on affordability, deliver better patient outcomes and drive the prevention of disease, not just its remediation.

Transforming healthcare requires full partnership from community luminaries, business leaders and public officials... and a recognition that health reform is a collective responsibility.

Thankfully, the Fraser Institute has been a leader in calling for healthcare modernisation.

It is time for governments across Canada to fully embrace the private sector as a partner in the quest for a sustainable healthcare system.

The private sector has the technology, innovation and talent to crack the code on healthcare affordability.

If we fail to meet this challenge, Canadians will undoubtedly see the erosion of other public services and less private sector investment, as healthcare consumes our resources at a ferocious pace.

We have two choices:

We can create the circumstances to take responsibility for the future productivity and effectiveness of our healthcare system.

Or we can blame our predicament on the circumstances and sacrifice other public services in order to fund an antiquated healthcare system.

Ladies and gentlemen, it is our responsibility to demonstrate courage and innovation in rising to the challenge of healthcare transformation and sustainable communities... for our generation and for generations of Canadians to come.

It will take all of us to create those circumstances, following the same passion for innovation championed by T. Patrick Boyle.

Thank you.

