

# Pick a winner: Ross Video

**Dick Hobbs** talks to David Ross, owner of Ross Video, to gain an insight into the continuing success behind the understated private Canadian company

## Broadcast Production

In a diverse industry worth around \$25 billion it is inevitable that there will be many different corporate structures among the vendors, each with unique funding backgrounds and growth patterns. In among them all, though, the Canadian company Ross Video is surely unique.

Until fairly recently the business was wholly owned by David Ross, the son of the founder. He has now made 10% of the shares available to employees. Perhaps even more intriguingly, the company has never had any external funding, yet still manages to invest 25% of its revenues into R&D — revenues which continue to grow year on year, without exception.

To find out how a company, based in Iroquois, a tiny town in rural Ontario, balances all these claims to fame, Ross, the engaging 45-year-old who heads the company, explains how it all began.

The business was started in 1974, with a gentle push from another well-known name in the Canadian broadcast business. “My father had no money and was not planning on starting a company, but Jim Leitch said to him ‘John, what are you doing working for someone else. There’s a Leitch Video, so why can’t there be a Ross Video?’ Jim Leitch actually named our company.”

Rather than go to the bank for funding, John Ross sold a World War Two trainer airplane he had just finished rebuilding in his garage. “The equity in the company was a \$3,500 airplane,” says Ross. “Jim Leitch said ‘sell it — some day you’ll have two’.”

Since that day there has been no injection of venture capital, and no private equity. “Amazingly — almost suicidally, some would say — we are not for sale,” says Ross.



**David Ross:** “One of the biggest dangers in companies is that they self-perpetuate the thing that they did a long time ago”

## Start me up

While his father was founding the company, the son was proving a very able student, winning three national science fair championships and reading computer engineering at the University of Waterloo where, he recalled, he “took as many business courses as possible”. Work experience while at university included a spell at Electrohome where he worked on one of the first ever DVEs, the Jazz, and time at national broadcaster CBC, where his boss was Strath Goodship.

He also contributed to Ross Video, writing software for switchers, designing hardware, helping out in manufacturing and working in the front office. Ross joined the company formally in 1991, at the age of 25. “At the time the company was 25 people,” he recalls. “I said ‘Dad, I think we have to grow’. So we oriented things in that direction, and we have had a record year every single year, with no declining sales, since then. This is our 20th straight year.

“Last year we grew through the recession. We grew last year when the Canadian currency went up by 20%. That was difficult but we did it. Six months into this year, we are 50% up on the same period last year. I feel like a start-up.”

That is a remarkable achievement. How does it happen? “My mom was a particularly strong person, and one of the secrets is actually just treating people right,” he remarks. “Maybe it is because we don’t have venture capitalists breathing down our necks that we have the freedom to do that. I have a strong belief that people want to do the right thing. Don’t demotivate them, let people be proud of the work they are doing.

“Today we have 383 very proud, hard working people that I don’t control on a day-to-day basis. But it is surprising how many companies mess that up.”

Yes, but that can only be a part of the solution. How do you manage a business which has elected to be self-reliant? “I do a lot of management by wandering around. We don’t have a strategy offsite session once a year, we

have strategy sessions in the hallways on an hourly basis.

“When you’re not sitting on a big bag of money, and you have a dozen ideas and the money to do only one, you choose a winner. Every single time,” he says. “Every single thing we have chosen we knocked out of the park because we focused on doing the one next thing really, really well.”

Yes, but how do you choose that winner? “When my dad was sitting in the boardroom arguing about what the customer wants or

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how it should be engineered, he would look at us and say why are we having this conversation? The answers are not in this room — the answers are out there. Get up, go talk to the customer, and then you’ll know.

“So I spend a quarter of my time travelling, visiting customers. I spend a week a month on the road talking to key customers

and not so key customers, getting a balanced viewpoint of what’s needed in our marketplace. If you keep doing that — and you get your engineers out on the road, and you hire industry professionals — there isn’t a whole bunch of soul-searching as to whether or not the thing is right. You know passionately in your bones there is a market and you have the technology for it. The only problem is how fast can we get it done.”

## The right intuition

Speed to market is clearly a top priority for Ross the company. Ross the man says that his engineers know his thoughts: “you’re going to design this thing and we’ll take it to market in one form then, in the second iteration, we may have to redesign some of it. I know it drives you crazy as an engineer, but you’re going to do it

because we can sell it, we can make money, we can raise market awareness, and that will pay for the next thing.”

As an instinctive manager, Ross is dismissive of formal strategies. “I haven’t seen a business plan in Ross Video in almost a decade,” he says. “And the last business plan that I saw was utterly wrong. We see the start of an idea in a conversation with a customer, then you have a few more conversations, then all of a sudden you see an efficient way to get that done. It turns out that if you just keep doing things that customers want, that’s half the picture.”

The other half is to spot the things that customers are not yet asking for, but would if only they knew the technology was coming along to make it possible. “One of the biggest dangers in companies is that they self-perpetuate the thing that they did a long time ago, and refine it to death. You have to step back two stages and ask what problem were you actually trying to solve 20 years ago when you designed the product the first time.”

When asked what is next for Ross Video, he gave a typically upbeat answer. “We’ve broken ground in May to double the size of the factory building. Our manufacturing manager did the calculations and that will give us the space to ship products worth \$270 million,” he says. “So what’s next is to come up with products that will earn \$270 million.

“Really what’s next is we continue to listen to customers. One of the great things about Ross Video is we have so many ideas that it is fun and frustrating at the same time, deciding what to do next — you want to do them all.”



**Ross Video is set to double the size of its factory building, giving the company space to ship products worth \$270 million**



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