

# CANADIAN FamilyBUSINESS

VOLUME 1, ISSUE 1

*A publication of the Canadian Association of Family Enterprise*

## Premier Issue!

**Sharing Success  
Building a Franchise on Family**

**From Necessity to Strategy  
An Exclusive Excerpt from Grant Thornton**

**Leadership Insights  
A Q&A with New CAFE Chair, Ian Wilson**

**And More...**

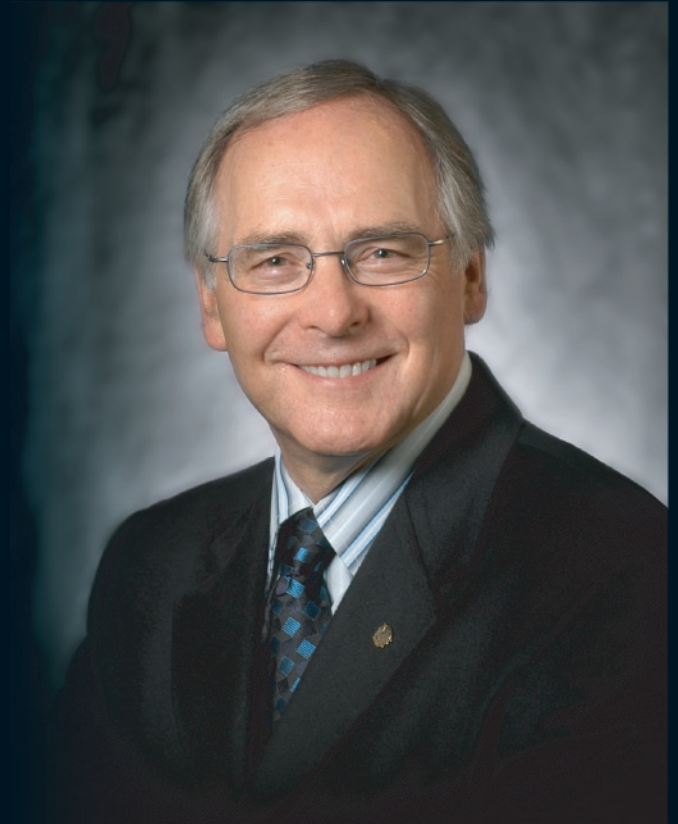


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*Gordon Wusyk, CEO*

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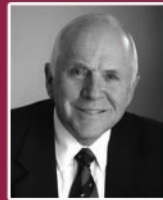
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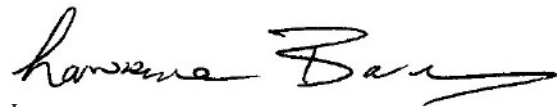
Welcome to our very first edition of *Canadian Family Business*, this replaces the *Enterprizer* which ran for a number of years. Published bi-annually, it is our hope that this publication will become the “must read” for business families and those who support them in Canada. As such we are looking to capture what is happening beyond just the activities of CAFE. You will see articles from who ever the editorial team feel can add value to your read. Some articles will go directly to our web resource page as well, so make sure you check that out!

So please read this as a work in progress and feel free to give us your feedback. I am excited in this opening edition to look at some families who have found success because

of the shared experience of CAFE as an association. Also we have some exclusive, never published content from the Grant Thornton survey that was unveiled for the first time at a recent Family Business day event in Toronto.

If you have anything you would like to see captured within these pages please let us know by email [info@cafecanada.ca](mailto:info@cafecanada.ca).

Cheers



Lawrence

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# CEO'S CORNER



**W**hat do you give on a Silver anniversary? This is exactly where I have been puzzling when I spend time thinking about this massive milestone for CAFE . We will have a great symposium in Halifax in May of next year and award the Canadian Family business of the year award, both have a special place in the life of CAFE.

We are also in the midst of the new awards at the local chapter level, as I write this winners have been announced in GTA, Saskatoon, Edmonton, SWO, Vancouver Island and Montreal. These Grant Thornton Achievement awards strengthen our commitment to showcase the great stories of families in business across Canada. Each local chapter winner will be automatically entered for the Canadian award. I have to tell you, based on what I have seen so far, finding a winner from the list of local winners is going to be an almost impossible job.

In fact when I look at the finalists on chapters lists , as I haven't been involved in the judging, I have a tough time separating them at all. This bodes well for the Canadian economy as these companies are the backbone of what drives us forward.

One thing that has been resonating in my mind is how important families in business are in building communities. At the SWO Family Business

day event David Ganong president of Ganong Brothers spoke with great eloquence about how committed to the community they are. He believes strongly that Families keep business close to home and hence stop what he called "the hollowing out of Canada". For example, they built a Chocolate Museum with the local authority in St Stevens, NB in their old factory when they built a new facility. This kind of support is something that families I meet across Canada are readily stepping up to as employers, stewards and most importantly passionate members of their communities.

So what gift should we be giving CAFE on its silver anniversary in 2008? I believe it is simply to honour our past whilst building a better future. We will work to strengthen what we do for existing members, broaden what we do to attract new members and give with open arms anything we can to build the climate for continued excellence in the family business field. The theme for symposium 2008 reflects this idea in stating "Making A Good Family Business Great". Keep the dates in May clear and plan to join us, keep an eye on the web site for further updates.

Because Family business Matters!

Lawrence Barns, CEO

# Sharing Success

## Building a Franchise on Family



CAFE GTA Gala Dinner, October 15, 2007

Back row, left to right: Paul Arkell, Chris Sideris, Carol Sideris

Front row, left to right: Joe Cunningham, Lee-Anne Arkell, Kathy Cunningham, Stacey Cunningham

We sat down with Lee-Anne, Paul and Stacey to discuss what has made their business so successful.

It becomes clear very quickly that this family has been built on running business from when the sisters were young and worked in a business their parents owned. "We didn't call them Mom and Dad at work," commented Lee-Anne, "It was natural for us to have two separate identities, one at work and one at home". This, it seems, continues today as they often surprise people when they mention Kathy is their mother. One thing is clear - the entrepreneurial background is in their blood and continues to drive this business.

However, it is also very clear that their brand is built on delivery of a service parents feel more than comfortable with. In fact, to place a child in Peekaboo today may take several months on a lengthy waiting list.

Why then haven't they expanded at a more rapid rate? Paul has a clear view as to what really matters: "We are working with a model that allows us to grow in a comfortable fashion. That means we know that the children will always get the level of care we would want for our own kids." As a result they have family at the core of the franchise model, which is now beginning to expand to a long standing staff member.



### Gordon D. Wusyk

B. Ed., C.L.U., Ch.F.C., C.F.P.  
President & CEO of Predictable Futures,  
The Business Family Centre

- Born in Edmonton on December 19, 1942
- Raised in a Family Business – Trucking/Cattle
- Father died at 59
- Started in Business in Edmonton – September 1967
- Graduated from U of A, B. Ed. 1967
- Completed designations of C.L.U., Ch.F.C., C.F.P.
- Founder of CAFÉ Edmonton 1990
- National Chair of CAFÉ 1995-1999 (Expanded CAFÉ from 6-13 Chapters)
- Past Board Member of BFF (Business Family Foundation) under the de Gaspé Beaubiens
- Initiated a joint venture with CAFÉ/BFF (The Roadmap Course for Entrepreneurial Families)
- Trained as a Roadmap Facilitator/Presenter
- Trained as a CAFÉ Family Council Facilitator/Coach
- Member of FFI (Family Firm Institute)
- National Board Member – Young Life of Canada
- President & CEO – Predictable Futures – The Business Family Centre
- Chair – The Wusyk Financial Group
- Member of Edmonton Oiler Copper Jackets
- Publisher (Canada) of Beyond Survival – The Guide to the Family Business owner plus other books and articles by Dr. Leon Danco.
- Married for 40 years to Gloria, with 2 children and 3 grandchildren
- Founding member of CALU (Conference for Advanced Life Underwriters)
- Past President of CAIFA Edmonton
- Hobbies – Speaking, Writing, Golf, Skiing and Guitar
- Executive & Life Coach
- Mentor/Coach, Family Facilitation

At the core of CAFÉ is sharing experience amongst our families. As we gather stories from the local winners of the Grant Thornton awards of excellence for the Family businesses of the year in each chapter, we will dig below the surface to see what makes these businesses tick.

The very first local award was presented in the GTA chapter of CAFÉ to Peekaboo Child Care. Peekaboo is a family owned and operated business founded by Lee-Anne Arkell in partnership with her husband Paul. Joining them in this family intensive enterprise is Lee-Anne's mother Kathy and father Joe, who are franchise owners, her sister Stacey Cunningham, and her aunt and cousin. Beyond that every franchise owner has a personal connection to the founders. Currently Peekaboo has 16 locations, with over 400 employees and care for over 2,200 children on a daily basis.



They deliberately recruit young people and work them through the roles internally to provide a backbone of long standing staff that guard the Peekaboo methods, keeping the brand identity strong and unified.

“Because of our model I speak for all franchises in some of our key relationships, it benefits us all while maintaining a platform to build Peekaboo in the future” said Lee-Anne.


When asked about their success as a couple that works together, Lee-Anne and Paul thought for a while as to what makes it work. What is very clear is the mutual respect they have for each other in their roles within the business. They have refined roles to focus on what each Family member does best. Stacey already had a PR background so was a natural to work alongside her sister and brother in law. Paul is very clear on why the model works “We have very defined roles for all of us and a very public leader in Lee-Anne. That clarity has been a vital underpinning to our success”.


While they now are involved with CAFE in a formal sense they were getting informal support from a CAFE member for a number of years. The Cator family who own Cardinal meats are firm friends and convinced Lee-Anne and Paul to become involved, but equally they had shared their experience before they joined CAFE.

It is clearly a different family who cares so much for their business that growth isn't the order of the day if it will in any way detract from the brand. Clearly their passion for building a quality educational environment where children are nurtured is a far

greater goal than purely building a cash generator.

Lee-Anne is clear that in the case of Peekaboo the family element is es-

sential for success, “The Family ties have made us a stronger business and I feel the experiences we share in the business have made us a more cohesive family”. 



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# From Necessity to Strategy

As a leading professional services provider to Canada's family enterprise sector, we at Grant Thornton are proud of our association with CAFE and pleased to present this examination of innovation in Canadian family enterprise for the inaugural issue of *Canadian Family Business*. This article is a previously unpublished excerpt from *Family Enterprise Insights 2007*, a Grant Thornton report, and exclusive to CAFE.

Currently, according to the *2007 Grant Thornton Family Enterprise Survey*, a proprietary survey of 201 private mid-sized Canadian companies, mid-sized Canadian family enterprises are, in general, positive about the future, anticipating rising or at least stable revenues and profitability over the next year. Despite this, current investment levels and the overall investment outlook for the coming year are both low. This hesitancy to invest as strongly or as quickly as conditions seem to recommend is consistent with the long-term growth strategies that traditionally drive family enterprise investment, as opposed to the fast-return mindset of external investor-driven business models.

Issues emerge, however, when hesitancy to invest spreads to innovation. Not only are family enterprises often born of innovation, innovation is highly compatible with long-term success and sustainability strategies. It can create value through new practices and processes that will pay off down the road by giving the innovating company a unique market advantage over its competition, in contrast to investment in buildings, equipment and other infrastruc-

ture, which is more geared to boost revenue in the short term by, for example, increasing production or storage capacity.

While the pursuit of innovation is compatible with long-term goals—and a seemingly shrewd way to capitalize on the opportunities created by the surging Canadian dollar—family enterprises are only investing in innovation at a moderate rate. Just half of those who participated in the *2007 Grant Thornton Family Enterprise Survey* say that they're planning to increase their investment in innovation in the next twelve months. Regionally, Ontario firms are the most aggres-

sive with 57 per cent planning an increase while Quebec firms are the least likely at 36 per cent. (See Table 1)

The data also shows a decline in the level of innovation-related investment as companies age. Close to half (45 per cent) of companies operating for less than 20 years invested at least 5 per cent of their revenues in innovation in the past 12 months. This is followed by 38 per cent of those in business for 20–39 years and 33 per cent of those over 40 years old. This undoubtedly reflects the danger that mature companies, having achieved a level of success, can become overly risk-

**Table 1:**  
Innovation investment over the past year among mid-sized family enterprises by region.

| REGION          | Less than 5% of revenues | 5% or more of revenues |
|-----------------|--------------------------|------------------------|
| Western Canada  | 63%                      | 37%                    |
| Ontario         | 54%                      | 39%                    |
| Quebec          | 59%                      | 36%                    |
| Atlantic Canada | 51%                      | 46%                    |

N = 201

Source: *2007 Grant Thornton Family Enterprise Survey*

# Innovation in Canadian Family Enterprise

averse in the interest of “stewardship”—somewhat ironic given the fact that these companies have the most potential resources to devote

to innovation, and hence the most to potentially gain. (See Table 2)

It's true that similar numbers of family enterprises invested at least

5 per cent of revenues in innovation over the past 12 months and experienced a 5 per cent or more rate of return on innovation-related investment, so there is no sense on the part of family enterprises that investing in innovation is a losing proposition. However, there also doesn't appear to be a huge amount of confidence in innovation as a potential major revenue driver: a majority (60 per cent) say less than 5 per cent of revenue came from innovation over the past 12 months, with 19 per cent saying that 5–10 per cent of revenue was innovation-driven.

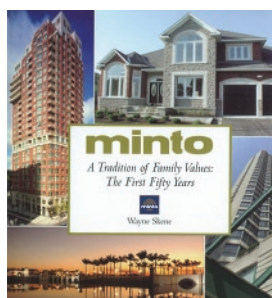
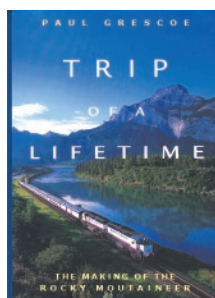
**Table 2:**

Innovation investment plans over the next year among family enterprises by years in operation.

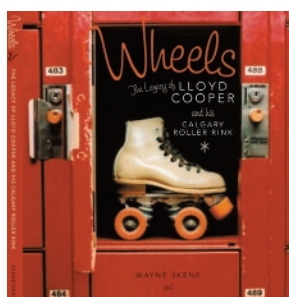
| Years in operation | Stay about the same | Increase | Significantly increase |
|--------------------|---------------------|----------|------------------------|
| <20                | 41%                 | 47%      | 12%                    |
| 20-39              | 54%                 | 31%      | 13%                    |
| 40+                | 47%                 | 34%      | 14%                    |

N = 201

Source: 2007 Grant Thornton Family Enterprise Survey



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**Table 3:**

Innovation investment plans over the next year among family enterprises by region.

| REGION          | Stay about the same | Increase | Significantly increase |
|-----------------|---------------------|----------|------------------------|
| Western Canada  | 49%                 | 35%      | 12%                    |
| Ontario         | 40%                 | 41%      | 16%                    |
| Quebec          | 64%                 | 28%      | 8%                     |
| Atlantic Canada | 54%                 | 32%      | 14%                    |

N = 201

Source: 2007 Grant Thornton Family Enterprise Survey

It appears somewhat encouraging that just as many family enterprises Canada-wide plan to increase investment in innovation as plan to keep it the same, but just 13 per cent of firms are planning a significant increase. Regionally, Ontario firms are the most likely to increase investment in innovation substantially, but even that number is just 16 per cent. Quebec lags behind the other regions with just 8 per cent planning a significant increase in innovation-related investment. (See Table 3)

**Table 4:**

Family enterprises' perceptions of own innovativeness relative to other leading firms by region

| REGION          | More innovative | About the same | Less innovative |
|-----------------|-----------------|----------------|-----------------|
| Western Canada  | 53%             | 37%            | 10%             |
| Ontario         | 53%             | 41%            | 3%              |
| Quebec          | 26%             | 72%            | 2%              |
| Atlantic Canada | 46%             | 51%            | 3%              |

N = 201

Source: 2007 Grant Thornton Family Enterprise Survey

Despite these relatively low numbers, there is no perception amongst firms that they are in any way lagging: half say they have been more innovative than other leading firms in their sector while most of the rest (46 per cent) feel they have been just as innovative. Family enterprises in Western Canada and Ontario are the most likely (53 per cent each) to consider themselves more innovative than other leading firms in their sector, followed closely by Atlantic Canada with 46 per cent, while firms in Quebec were least likely at 26 per cent. Quebec firms, however, were the most likely (72 per cent) to see themselves as just as innovative as other firms in their sector. (See Table 4)

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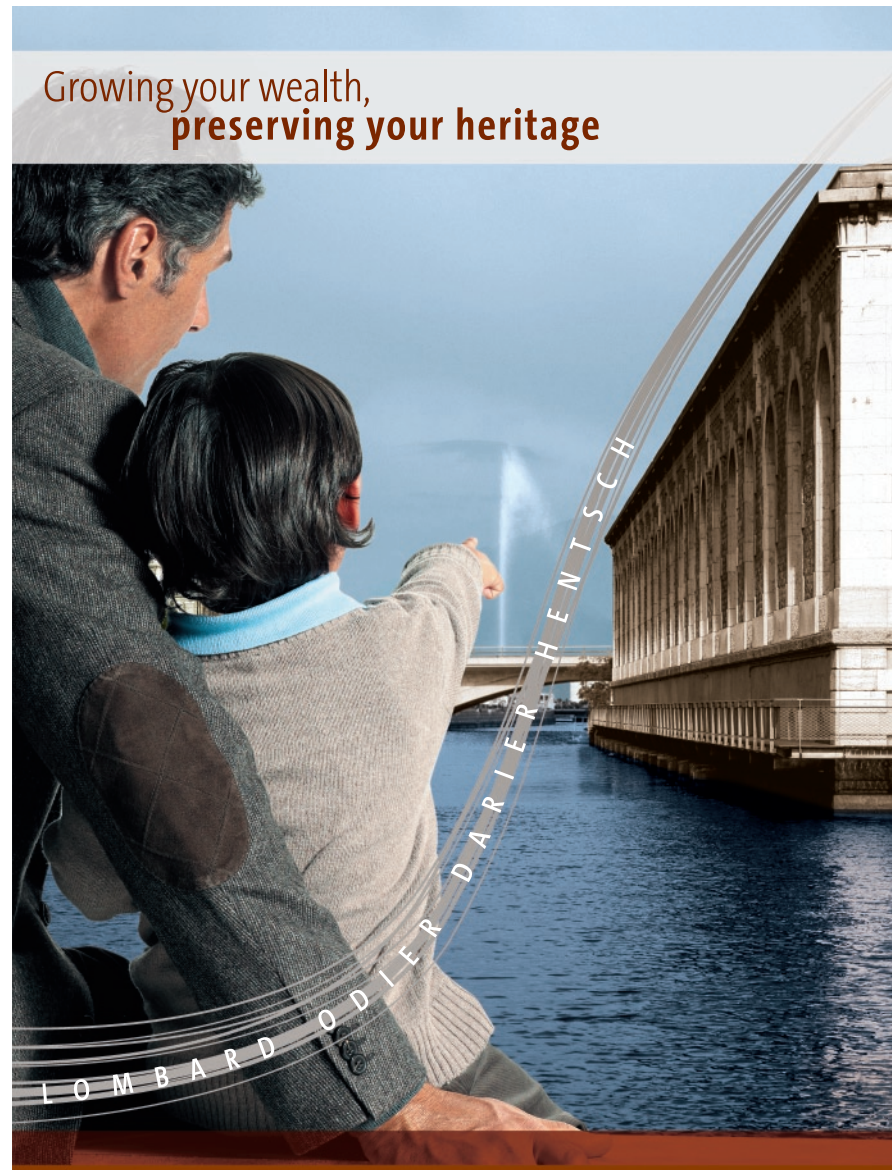
But not feeling you're lagging is not the same thing as taking the lead. In a 2006 Statistics Canada research paper entitled "Innovation Capabilities: The Knowledge Capital Behind the Survival and Growth of Firms," authors John R. Baldwin and Guy Gellatly note a link between the success and longevity of small and medium sized firms and the level of their commitment to innovation: "It is the development of specialized competencies in areas that support innovation (e.g., R&D and technology utilization) that often differentiates growth oriented and high-performance firms from other businesses." (28). Clearly convinced that the success

of highly innovative firms mandates greater concentration on innovation as a strategic imperative, Baldwin and Gellatly assert that “innovation is active, not passive” (41) and conclude that “a more intensive commitment to innovation and all the concomitant competencies can, in the main, improve a firm’s chances for success.” (42). Clearly, family enterprise, as a sector that traditionally embraces the long view, can benefit from this conclusion.

While the potential advantages of dedicated innovation strategies seem clear, the numbers have shown that innovation is not currently a major sector priority. The reality is, the reasons why family enterprises pursue innovation—and the ways in which they pursue it—make for a complex and evolving dynamic. It may well be that innovation is often understood in a different sense in family enterprise. As Grant Thornton partner Larry Munroe notes, “There is a bit of a disconnect between what many family enterprise leaders would call innovation and what an R&D manager would call innovation. If an entrepreneur gets where he wanted to go when he started to build his business, he probably sees that as a highly innovative process.” Innovation is often something that develops out of necessity rather than strategy, and innovation may also worry some business families who are hesitant to change a system or structure that has been successful in the past. It’s true that the drive to remain competitive won’t allow firms to become too disconnected from innovations in their fields, but this is a limited commitment to innovation. Firms will certainly want to have the latest equipment that does what they do, but they may not be able to invest in its development and improvement. Innovation in the sense of a consistent commitment to R&D is simply beyond the resource scope of many family enterprises.


The good news is that family enterprises stack up favorably against non-family enterprises of similar scope when it comes to investment in innovation, with more family enterprises than non-family enterprises planning to increase their investment in innovation over the next 12 months (49 per cent vs.


38 per cent). It is also encouraging that innovation within the family enterprise sector is no longer dominated by the largest firms. Small family enterprises (\$15-\$25 M in annual revenues) lead investment in innovation, with 42 per cent having invested at least 5 per cent of their revenues in innovation in the



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**Table 5a:**

Innovation investment over the past year among family enterprises by revenue.

| Annual Revenues       | Less than 5% | 5% or more |
|-----------------------|--------------|------------|
| Small (\$15-25 M)     | 56%          | 42%        |
| Mid-sized (\$25-75 M) | 57%          | 37%        |
| Large (\$75-500 M)    | 65%          | 32%        |

N = 201

Source: 2007 Grant Thornton Family Enterprise Survey

**Table 5b:**

Innovation investment plans over the next year among family enterprises by years in operation.

| Annual revenues       | Stay about the same | Increase | Significantly increase |
|-----------------------|---------------------|----------|------------------------|
| Small (\$15-25 M)     | 54%                 | 30%      | 13%                    |
| Mid-sized (\$25-75 M) | 43%                 | 39%      | 16%                    |
| Large (\$75-500 M)    | 46%                 | 45%      | 9%                     |

N = 201

Source: 2007 Grant Thornton Family Enterprise Survey

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past 12 months. This is followed by mid-sized firms (\$25-\$75 M) with 37 per cent and large firms (\$75 - \$500 M) with 32 per cent.

In order to be competitive in the short run and sustain growth in the long run, however, family enterprises need to be more innovative in their pursuit of innovation, to find capital to invest in innovation,

and in so doing to help maintain the forward-looking mindset that has always been at the heart of family enterprise in Canada. Understanding innovation as a growth strategy as opposed to a simple response to market pressure will be key to helping family enterprises stay a step ahead in the drive to build a lasting legacy of success. 

***Family Enterprise Insights 2007: Breaking through the ice: understanding where the myths lie in Canadian family enterprise, a comprehensive Grant Thornton report examining the most pressing issues facing Canadian family enterprise is now available for download. To obtain a complete version of the report, please visit [www.GrantThornton.ca/familyenterprise](http://www.GrantThornton.ca/familyenterprise).***



# From Learning Comes Trusting

Would you have more faith in an advisor trained in business family affairs? UBC Sauder School of Business and the Business Families Centre built a program because families said that indeed they would.



Judi Cunningham

**I**t is a fundamental question business family members have to ask: If they are to trust counsel from their professional advisors, shouldn't those advisors be schooled in the tricky business-family dynamic? Some advisors gradually acquire that kind of knowledge through years of hard-won experience; unfortunately, some never get it at all. Even if they wanted to, there really wasn't a place for members of the advising community to acquire the core knowledge, insight and practical skills needed to deal effectively with the complexities inherent in most every business family.

This October, the Business Families Centre, together with UBC Sauder School of Business, has launched a new certificate program designed to fill this knowledge gap. The Business Families Advising Certificate Program will provide accountants, lawyers, bankers, educators and trusted family insiders with access to the latest thinking, training and techniques in family business advising.

"Family enterprises succeed for a lot of reasons. But one of the most important factors in their continued growth is the acumen of their professional advisors," says Judi Cunningham, executive director of the Business Families Centre. "Increasingly business families understand this, and are now demanding a great deal more from their advisors.

As one of Canada's leading business family learning centres, we saw this growing awareness as an opportunity to help advisors perform better for their family clients, and by extension to help entrepreneurial families get better results through their advisors."


Developing a curriculum that would meet the needs of both the advising community and business families required extensive consultation with both groups. The end result is a flexible program that addresses the key issues that affect the growth of the family business in both personal and financial terms. Through a balance of theory, strategy and real-life case studies, the Advising Certificate program tackles a broad range of topics specific to the business family, including family and business life cycles, forms and structures of ownership, strategic planning processes, theories of change and assessment tools, governance, succession and continuity planning. The program also delves into the 'soft' or human issues as well, helping advisors to connect with multiple generations in the same family, and to mitigate any friction between family members.

The Business Families Centre paid careful attention to provide a cross-disciplinary element in the program. In this way, advisors from different disciplines get more than the information relevant to their

practices. They also gain an understanding of how to better integrate their counsel with that from peers in other fields.

The Advising Certificate program consists of four modules lasting four days each. The core module, Understanding Business Families and Business Family Advising, serves as the foundation for the program. The other three modules may be taken over the course of three years, in any order, to complete the program. They are: Business Family Governance and a Multidisciplinary Approach to Advising; Business Family Planning Process; and Family Relationships and Managing Complexity.

"We are really excited to be working with the advising community to help make their practices even more effective for their business family clients," says Judi. "By augmenting their unique position in the business-family dynamic, we can also leverage our effect on family enterprise. For every advisor we train, we touch literally dozens of business families across Canada, and potentially around the world."

For more information on the Business Families Advising Certificate program, visit [www.sauder.ubc.ca/bfc](http://www.sauder.ubc.ca/bfc). 

# Leadership Insights



Ian Wilson

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to CAFE  
on the launch of  
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**A**s of September there is a new leader at the helm of CAFE, Ian Wilson leads his family firm Wilson Fuel and was named in the top forty under forty by the Globe and Mail in 2006.

*Wilson Fuel Co. Limited is a Nova Scotia based family business. The Wilson family has been in business in Nova Scotia for eight generations. Wilsons has been in the home heating business since the turn of the century. Originally, they distributed wood and coal in central Nova Scotia, eventually making the switch to heating oil. Wilsons is a full service home heat company offering equipment sales, leasing, and service as well as delivering furnace oil, propane and biofuel.*

*The company diversified into the retail gasoline business in 1989. Wilson Fuel markets gasoline under the Wilson and Esso brands. The company supplies over 275 retail gasoline outlets throughout Atlantic Canada. They directly operate more than 45 stations with convenience stores under the Go! Store banner and have branded food partners such as McDonald's, Tim Horton's, Robins Donuts and Greco Pizza.*

**Q** Did you always see yourself taking on the reigns of the family business?

**A** I did not see myself working in the family business when I was growing up. I did not grow up sweeping the floors at the business or with any regular involvement. I would occasionally visit the office with my father but never felt any pressure to become involved. I did not work at Wilson Fuel until after achieving a university degree and even then, it was a summer job to earn money for further education. Once I became involved with the business I did not really think about taking a leadership role. After seven years of work and at the age of thirty, I was thrust into the role when my father, the president of the company, died unexpectedly. I was the only family member who was active in a day to day role at the business and I volunteered to become the president of the company.

**Q** How did the family prepare you for the role, and how will you prepare your children for their future role in the business?

**A** It was always expected that I would receive a quality education including a university degree. The subject of study was

## A Q&A with new CAFE chair, Ian Wilson, Wilson Fuel Co. Limited

always left up to me and did not include business training. I didn't think I would be involved in business. After completing a Masters of Science degree in environmental technology, I started working full time in the family business. It was an entry level position in a new part of the business that was just starting to take off. I was employee number two for that division and was a jack of all trades assistant. I grew with the business and picked up a great deal of skills and knowledge on the job. When I was in my late twenties, the family

started to talk about succession and how the family would approach ownership and management succession. The discussions were not complete before the situation changed with the passing of my father.

**Q** Any business that has survived multiple generations finds itself with a complicated generational structure, how does Wilsons deal with this issue?

**A** Our family business historically was passed to a single individual in the next generation, typically the eldest son. This model was changed when my grandfather passed the business to his two sons but not his daughters. In my generation there are seven cousins who may enter into ownership of the business. Modern times require modern solutions and we are looking to shareholder agreements to backstop our relationship. The document is complicated and my expectation is that any issues

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## A Q&A with new CAFE chair, Ian Wilson, Wilson Fuel Co. Limited Cont'd....

will be dealt with through open communication and mutual consent. The other issue is to continue to grow the business so that it can meet the expectations of a larger number of shareholders.

immediate affinity to an organization that brought similar people together. I eventually joined a Personal Advisory Group, the board of the chapter, became chapter president and then made my way to the CAFE Canada board.

board and with members at events. CAFE has also been a catalyst in helping the family address the soft issues facing family business as well as providing resources to implement the technical issues once the soft issues are resolved.

**Q** How did the Wilson family become involved with CAFE?

**A** Some individuals in the region became aware of CAFE and decided to start a Nova Scotia chapter. They approached my father as a member of the family business community to help get the chapter started. We strongly identify ourselves as a family business and there was an

**Q** What would you say has been the greatest value of CAFE to you personally and your family as a whole?

**A** I have received a great deal of support, knowledge and wisdom from my interaction with other members. I have learned a great deal from my time with my PAG, the

**Q** What would you like to see CAFE achieve during your time as the chair?

**A** I want our members to think of CAFE and their fellow members as the first place they turn to when they have family related issues that impact their business. We have a wealth of experience and knowledge in our association which can deliver incredible value.



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**Q** If you were asked your most important piece of advice for a family business leader what would it be?

**A** Communication. Talking about issues with family members can be difficult. Not talking about these issues will ultimately create far more difficulties. 

# Generation Next



Erin Rayner

**W**hen CAFE's (CEO) Lawrence Barns asked me to write an article for their new magazine from a successors perspective, I was thrilled – surprised, but thrilled. I was thrilled because I am a business owner; founder and I love to write. Surprised because I don't work daily for my family's business. In fact, I'm not even an owner of our family's business and we have agreed, as a family, to keep it that way. So what do I know about succession from a successor's standpoint?

First let me share with you 84 years of history that culminated in our business succession beginning in earnest 4 years ago.

In 1921 my Great Grandmother Fanny Rayner picked up what was at the time – a party line phone only to overhear her husband's boss talking about firing him. She was a very spirited woman and jumped in with – "When my husband gets back there – tell him to come home because you can't fire him – HE QUIT!" This inspired her husband, WWI veteran Fred Rayner, to start a heating and ventilation company – Vet's Sheet Metal Ltd. He began by carrying his tools and materials on his bicycle to the job site and focused on Edmonton's growing residential market. In 1944 Fred's son Al took over the business, working with his brother Gordon to expand the capabilities of the company and foresaw the impending increased commercial and industrial

construction in Edmonton. Al's eldest son David, my dad, worked outside the business and took post secondary courses at the Northern Alberta Institute of Technology before returning to the company in 1974. It was exactly 30 years later that my brother Sean and I received the call no one wants to get.

We were both in Toronto on what we called "externships" from the business (and the family!) when we got the news that Dad was seriously ill and going for massive surgery. We both went home to be there for the surgery and it became evident right away that if there was going to be a succession of our family's business – it had to start NOW. So, we packed a U-Haul and moved home to facilitate David/Dad's retirement and continue the family legacy of entrepreneurship.

I had been working at the CBC in Toronto and came home to try and carve a niche for myself in the family' sheet metal business. Television to heating and ventilation - let's just say the interest was not there for me. It took me the first six months of being back in Edmonton to realize that. I thought that in order to be part of the legacy, I had to be part of the business. Which is not the case – thank goodness.

I took it upon myself to support the succession process at this point and take ownership not of the shares of the business but of the part of the legacy that belongs to my family –

we have had a successful business, together, for more than 85 years. So what if I don't work there? In our succession, I am on our board of directors and do what I can with my skills in marketing and facilitation to support my brother, father, mother and the business.


It wasn't easy realizing that it wasn't my job to make an 85 year old business fit me and my interests but along the way I have learned a lot about succession and successors. Not only that, but I've also started my own business which has given me incredible insight into the mind

of the founder and I am better able to understand the struggles they face.

*Erin Rayner is president of ED Marketing and Communications Inc. in Edmonton, AB and a CAFE certified family council facilitator.*

## **The Top 6 Lessons for Successful Successors**

I tried to make it 5 but I just couldn't decide which one to cut!

- 1.** Get to know and believe your family's values and traditions because they guide the workings not only of your family but also of your company – keep in mind these evolve over generations.
- 2.** Communication is Key - top down, bottom up, side to side; in any direction it is the most important aspect.
- 3.** Know when to walk away, know when to run – know and understand that half the choice to be or not to be the successor is yours.
- 4.** May the Schwartz be with You – Are you passionate about the business?
- 5.** Get Great Advisors - No it's not an oxymoron – they are out there and you can't do it alone.
- 6.** Mentor/Tormentor - Support & Mentorship, whether it is from a board of advisors or a Peer Advisory Group, it will help lighten the load. 



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Mark these dates in your calendar and join us as we explore, "Making a Good Family Business Great", the theme for the 2008 National Symposium. Nova Scotia is known for the pristine beauty of its natural landscape, the panoramic Atlantic coastline, numerous historical sites and spectacular nightlife.

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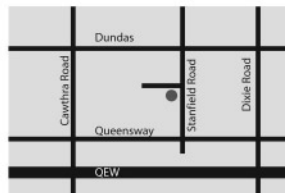
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