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INTERVIEW WITH DAVE BRERETON, FOUNDER, TECSYS INC.

by Rick Goossen on October 21, 2013 in Montreal, QC, Canada



Company Summary

Description	
Name	Dave Brereton
Dates of Involvement	1983 - Present
Title	Founder & Executive Chairman of the Board
Name of Company	TECSYS, Inc.
Web site	www.tecsys.com
Location(s)	Montreal, QC, Canada
# of Employees	300
Product/ Service	Supply Chain Management Software
Industry	Software
Revenue (range)	\$33 million/year
Public / Private	Public (TSE: TCS)

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Dave Brereton is the founder and current Executive Chairman of the Board of TECSYS Inc. Under his vision and leadership, TECSYS has grown from a start-up company to a leading international provider of software solutions to multinational corporations (www.tecsys.com).

Mr. Brereton served as TECSYS' CEO and/or Co-CEO until 2006. Prior to it going public, The Financial Post and Arthur Andersen & Company chose TECSYS as one of Canada's 50 Best-Managed Private Companies.

In 1996, Mr. Brereton was named one of the country's Top 40 Executives Under 40, by The Financial Post, The Caldwell Partners, CTV Television Network, and Canadian Airlines. In 2000, he was a finalist for Entrepreneur of the Year by Ernst and Young and BMO Nesbitt Burns.

Mr. Brereton is an early investor in Silanis Inc., a leading e-document technology company where he currently serves as a board member and chair of the audit committee (www.silanis.com).

Since 2006, Mr. Brereton is also the National Director of Youth for Christ Canada (www.yfccanada.org), the largest youth-focused Christian organization in Canada, and is the founder of a fully accredited high school for marginalized youth in Montreal, Quebec.

Dave and his wife Katy live in Montreal, Quebec. They have six grown children and many grandchildren who are the joy of their lives.

I. General Entrepreneurship Questions

1. At what age did you start your first entrepreneurial venture and what was it?

If I go way back, it started with my paper route and then later when I tried to sell wood stoves in the late "70s.

My first entrepreneurial venture, though, would be in 1983 when I started what would later become TECSYS Inc.¹ My wife and I moved to Quebec in 1979 and at that time I tried importing Apple 2 clones from China and selling them in Montreal. A neighbor across the street from our first home in Montreal was from China and he introduced me to some people who could provide the Apple 2 clones.

2. What originally motivated you to pursue entrepreneurship and what has maintained your ongoing entrepreneurial focus?

I think I was wired to be an entrepreneur from very early on. I knew I wanted to build my own business. I knew that every job I had working for somebody else was just a step on the journey to where I was going to end up building my own business. I realized that my approach was different than others in my circle. For example, I have a first cousin who I am very close to. He started his career at IBM. His goal was to grow, develop and make his career at IBM. I could not understand that. My goal was quite different. I wanted to learn what I could about an industry and figure out where there was a sweet spot to start my own business.

3. What individual(s) have been models of inspiration for you throughout your entrepreneurial career and in what way?

Great examples were my father and a couple of uncles that took great interest in me. A couple of guys in our church were helpful, but none of them were entrepreneurs—and, in fact, they actually didn't think very highly of entrepreneurs. The entrepreneurs around the time that I was growing up didn't have a very good reputation in the church. They were seen

¹ See description in Part II.

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as kind of shady. There was one guy who was highly respected, but most of them, not so much.

4. How has any formal education or training you have received (to whatever extent) been helpful? If so, in which way?

My teenage family dynamics effectively prevented me from pursuing a university education. The quick snapshot is that I am the second oldest of six kids. My dad went into full-time ministry when he was 42, so I would have been about 16 at the time. He was the Vice President of Finance for the White Truck Company. We had grown up with a really nice income. He left his well-paying job, however, and went into full time ministry with the Brethren Church.² In this denomination a full-time church worker receives no salary, but rather is dependant entirely on what assemblies decide to send per month. Our family very quickly ended up in financial difficulty. Dad was off preaching and teaching the Word. My older brother had escaped and gone off to University of Waterloo. I couldn't leave because the family needed me. During grade 12 I was going to Thistleton Collegiate in Etobicoke, ON and at 3 p.m. I would leave school and take a bus over to Morris Chain³, out in Mississauga. I worked a night shift from 5 p.m. to midnight to help keep things together at home. Then I would go home and sleep and go back to school. So that was a very formative experience for me.

I determined then that I would never go into ministry. (God has a sense of humor given what I now spend a lot my time doing).⁴ I didn't have a chance to go to post-secondary education. When I finished high school I took a six-month computer programming course from a private school, called something like Control Data Institute. It cost \$2,000 and I got a loan for \$1,400 of that amount. It was from 7a.m. till noon, so I could still work. As soon as I completed the course, I got a job as a junior computer programmer. Later on I took a few evening courses at York University (in Toronto) because I really enjoy statistics and math-related stuff.

² The church was part of the Plymouth Brethren, and specifically rooted in the teachings of John Nelson Darby.

³ This was a division of Borg Warner.

⁴ As described later in the interview, he became and is at the time of this interview the Chairman of Youth for Christ Canada (www.yfccanada.org), a non-profit ministry!

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5. How many different business ventures have you started in the course of your entrepreneurial career?

Apart from my small adventures in high school, I have been involved in four main ventures:

- TECSYS, which has been my main career focus and where I remain as chair person;
- Silanis, started with others, where I am more of a silent partner
- Sinewall in North Carolina which is operated by one of my nephews; and
- Verratti Farms in Gasport, New York, which I didn't start, but bought into.

6. What percentage of these business ventures do you estimate were financially successful?

Yes, they have all been, to different degrees and they are all going. Within those companies, obviously you have had successes and failures.

We have done some acquisitions here at TECSYS that have been great successes and others that have not, so within the businesses there have been some ups and downs.

II. Entrepreneurial Questions Regarding Your Primary Business

7. In order to provide some context, please describe your Primary Business: what does the company do? Who does it sell to? What does it sell? What is your competitive advantage? What is the nature of your overall industry?

"TECSYS is a visionary and technology leader in warehouse management software. TECSYS has an unrivaled staff of warehouse experts who serve the Government, Healthcare Supply Chain and High-Volume Distribution industries with game-changing supply chain management solutions." (Source: www.tecsys.com) TECSYS Inc. is listed on the Toronto Stock Exchange under the symbol "TCS."

Let me describe in layman's terms what we do. Picture a very large warehouse. You need to manage the goods coming in. You need to know where to put them based on the size of

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those items. You don't want to fill up a big shelf with small items and then you have nowhere to put the big items. So you have got to figure out where to put them. You also organize it by frequency of use, so that the high moving stuff is at the front of the warehouse and you don't have to walk so far to get it. The stuff doesn't move that much goes to the back of the warehouse. So you are optimising your warehouse for efficiency. You can use this system for many fields. Let's say in the medical field, expiry dates are very important, so you are shipping the stuff that is going to expire first and keeping the fresh stuff.

You have lots of technology rolled into that system. So, for instance, you have radio frequency devices that the people picking can wear say, on their arm and it shows them a picture of the item that they are supposed to be picking next, and make sure they are picking the right one. They often have a check digit on the bin that they pick from. They can just enter that the check digit is nine and if the check digit doesn't match then they know there was an error. So there are different things you can do. You are looking for 100% accuracy in your picking and you are looking for efficiency in the running of that warehouse, so that is the core.

Tied into that and actually what often becomes bigger than that is an Order Management System for customers actually buying the products. You have got a replenishment system for tracking what you need to replenish so that you never run out. You have got purchasing, forecasting, accounting, transportation. We take that core piece of software and we tailor it to certain specific industries. For example, in the US, hospital networks are one of our big areas of expertise. So, for example, you get 10 hospitals in Chicago that all want to band together and have one centralized warehouse where they store all the different products that they use in the hospitals. We have specialized software for them that ties into this so that we have got all the things that are needed for tracking medical equipment. We have nursing station modules, so that when nurses actually take a package of bandages, that information can be fed right through the system and their nursing station gets replenished with those bandages.

The same core software works for Caterpillar Inc.⁵ tractor dealers that are running big warehouses of Caterpillar replacement parts. We customize our software packages from customers. If a Caterpillar dealer buys the software, it comes all in yellow and black and it is all with Caterpillar parts in it; it works with their replenishment and their descriptors of their machines and so you have got everything that fits. So it is a core set of software and then it is specifically tailored to different industries. We have different markets that you can see on our website.

⁵ See general information see www.caterpillar.com.

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In terms of our competition, Malcolm Gladwell's latest book on *David and Goliath*,⁶ is probably a good reference point for us. It makes us sound big to say we are 300 people. We are actually a David and there are Goliath's out there. There are companies that are 100 times our size, but in the specific verticals that we service, we are faster, we are nimbler, we are way more cost-effective. If Caterpillar puts our warehouse management into one of the dealers, the whole project can be done in 3 or 4 months. It fits them like a glove and they know it is going to be successful. If they buy a big generic package from Oracle⁷, they have to think through things, they have got to educate the consultants that come in terms of what they do as an entity. It is a huge long project to actually implement one of the big packages. So we are quicker and nimbler. We would argue that we have much later technology - because we have stayed relatively small we have been able to upgrade our technology to the latest. A lot of these big companies are actually selling very dated technology because it is so big that the prospect of re-writing it is incomprehensible, so they keep selling; they dress up the pig.

8. How did you identify the opportunity that led to the setting up of your Primary Business?

It evolved. When I started the company I was still working as a sales rep for Philips, with their full knowledge and support. I was re-selling an American-made set of office computers and they were actually made by a company called Qantel Technologies, Inc. ("Qantel")⁸ I came back from a summer missions' trip to Newfoundland and Labrador and the lights were off at Philips. There were a whole stack of phones on my desk and a ticket for me to go Toronto. I went to Toronto and they said they were closing that division. I had to start selling word processors or else I would be let go. So, I called up the manufacturer. The manufacturer's rep' knew me because I was the top sales guy at Philips. I had lunch with him the same day and he offered me a job right away. I went over to sell for the manufacturer and the company was called Qantel. I came back to Montreal and found out that he had very poor software support for these machines that they were selling. I had lunch with him a few months later and asked whether I could start a software practice in his office, because his offices were all empty and he didn't have good software. He said, "No problem, I will even give you some software." He hated software. He just wanted to make money on the machines.

That's how I started TECSYS. It actually started in his office. The opportunity was basically a need for some software. These guys saw the margins opening in hardware and had very little respect for

⁶⁶ The complete title is *David and Goliath: Underdogs, Misfits, and the Art of Battling Giants* (New York: Little, Brown & Co, 2013)

⁷ For general information see www.oracle.com.

⁸ For general information see www.qantel.com.

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software. But I knew from the customers' standpoint, that if you didn't have good software the machinery was of little value to them. So I started there so that I knew that my customers, to whom I was selling the hardware, actually had good software as well. There is a lady working for me right now and she was my second employee. She says that I told her that I never expected the company to grow to more than five people. She came to work in my house. My wife and I had two little kids and I set up an office in the basement of the house which is where the first employees started working.

9. What were the critical elements you assessed before you decided to pursue the opportunity?

None. I just knew that I had these customers that I was selling computers to and they needed some software people to implement it and get it going.

10. How much time did it take from seeing the opportunity to the first day of operation?

I would say about 3-6 months just because I chatted with him, talked it through, looked at how it was going to start. I looked at how I was going to pay the first person. I hired my brother, Peter, first. The lady I just mentioned - she was the second employee.

11. If you had partners, who were they, and how did you find them?

No partners. No money early invested. No family putting money in. I got a commission check from a big computer deal that I had done and I used that to pay the first few months of my brother, I think. I worked on TECSYS for probably two years while I was working full-time, with the full knowledge of my boss. Then the other sales guys started using them too; it was a great set up and with the full blessing of the guy who owned Qantel. He loved it because his sales were going up.

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12. Did you have a business plan of any kind? [or any kind of written plan]

No.

13. What kind of financing did you have?

None.

14. How much capital did it take?

Capital would just be my commission cheques. The key thing here that I would just point out is that my wife, Katy, is a very frugal lady, so she had no drive to spend more money as my income was going up. When I became a salesman for Philips and then for Qantel, and would get commission cheques, there was no pressure at home to buy a bigger house or fancier cars or whatever. In the dynamics for my wife and I, neither of us are driven that way, so my ability to put aside money to use to fund the start and growth of my business was very easy for me. Other guys I know have a hard time with that. Either from their wife or their own drive, they want to keep cranking up their standard of living. They end up needing outside financing for business ventures because they can't save their own money.

15. How long did it take to reach a positive cash-flow position?

I believe it was 24 months after I started it that I was able to leave Qantel. I then became a sub-dealer for Qantel. Then everything was going through TECSYS and at that point it was cash flow positive because I was paying my own salary and we had retained earnings and profits.

16. If you did not have enough money at the time of the start, or at low points in the business cycle, what were some things you did in order to stretch your capital?

When I began the company I started small. [As mentioned in the response to Question #1, the company started when Dave started selling Apple 2 clones.] My wife and I literally had to stick the labels on these computers. We called them "TECSYS 2's" instead of Apple 2's and

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sold them to family and friends and anyone else we could get to buy one. I was pursuing this venture while I was still employed full-time. I was testing my entrepreneurial skills. My wife and I had no money. I remember sweating over actually agreeing to buy 10 of these Apple 2 clones which cost in total about \$3,000. I was going to try to sell them for \$500 each. At that time I was a full-time software developer for Philips Electronics.⁹ I then moved into sales with Philips. So at that same time as I was selling these Apple 2 clones, I was selling Philips office machines, which were the pre-cursor to office computers.

With respect to low points in the business cycle, I've had to be creative. For example, one year we were having a Christmas party for our staff one year and I was out of money. I didn't know how I was going to make December 31st payroll. I ended up going to one of my first customers and I pitched their management team on investing half a million dollars for unlimited rights for their business for a copy of any software that TECSYS would ever develop. The company is Dainty Foods¹⁰; they are still on the Montreal Stock Exchange. They wouldn't receive any ownership of the company. They still had to pay support, but they would be entitled to the software. They thought about it for about 48 hours—then agreed. They wrote me a cheque for half a million bucks. It is a two-page agreement. We still have it, because the auditors look at it. And the guy that led the charge to actually have them come to agreement - they asked me to come and be the speaker at his retirement party! He is on our board of directors at TECSYS. They know, (and I shared it at the retirement party), that their decision was absolutely critical. I have no idea where TECSYS would be, or if in fact we would still be here, or what would have happened if they had not said yes. The agreement has been worth millions to them; they are very happy with the agreement.

17. What did you perceive to be the strengths (up to 3) of your venture?

I think we built a reputation of being a good partner to work with. We focused on certain areas where we could develop vertical expertise, which I think is important. Our clients tell us that we are a partner that they can trust, which has been very high on the radar for a lot of our customers over the years. When you focus on vertical markets, your customers all know each other, so if you screw up, they talk. So it is a very important thing when you are in a vertical market strategy that you don't have a lot of failures. Your reputation becomes very important.

⁹ For general information see www.philips.com.

¹⁰ Mount Royal Rice Mills is the actual name.

18. What did you perceive to be the weaknesses (up to 3) of your venture?

Being Quebec-based is both a strength and a weakness. Quebec has great programs for start-ups and for funding research and development. They have an e-business tax program right now which is very helpful for tech companies. But Quebec is also a weakness geographically. A lot of our market is in the US and we are here in Canada. Further, even in the rest of Canada, sometimes companies have less confidence in the company since it is based in Quebec. This was a big problem when Quebec was actively threatening to separate from the rest of Canada.¹¹ So I would say that location is probably one that hasn't been the best for us, but I think we have managed it.

I feel like many entrepreneurs—and it may sound funny—that I am not that smart! I would say that one of the weaknesses is me. I just don't catch technology fastest. I am more of a plodder that works along step by step. So, I need to manage my limitations.

19. What was your most satisfying accomplishment or event?

Going into a big Caterpillar dealer or a large hospital network and seeing our software being well used throughout is very satisfying.

It is very satisfying for me also to see folks that work for us to have TECSYS become their career and they love it and it has been a place where they could flourish and grow and develop and move from being a junior programmer to being a Vice President. I see that they have matured here and they have made their career here and have done very well here.

These things gives me a great sense of satisfaction.

20. What was your most disappointing situation or event?

Probably the hardest time for us would have been right after "Y2K"¹² when the whole market crashed. We had to go from 450 people to 175 people; I had to lay off 275 people in six months. Lots of companies launched huge IT projects fearing that their software wasn't going to survive the

¹¹ The Province of Quebec first elected a provincial government whose mandate was partially to seek separation from the rest of Canada. A referendum vote on separation was held in 1980 and in 1995, both times narrowly defeated.

¹² This was when the year 2000 occurred and some people were predicting that computers could not make the transition to the year 2000.

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date change and that they would die with it. Another factor was that the internet was coming and they felt their existing technology wouldn't handle the internet. Everything was going to be on the internet and there was talk of the new economy. This was the perfect storm. And then the bubble burst.

All the software survived, but none of the IT projects really got done before Y2K because there were too many. It was like gold-rush time. You were hiring anyone that could chew gum and talk about a computer, and saying, okay, you are a programmer, go start! So the projects were a disaster and then most of them didn't get implemented in time. Y2K came and went and everyone's software worked perfectly fine, so tons of people refused to pay their bills. Of course, we were billing for all this stuff. People canceled projects and some even sued. This ended up being a huge mess.

What helped me was that during the summer of 2000, my wife and I went on an Alaskan cruise. I followed the trail of the gold rush just by chance! While on this cruise I called back to my board and told them we are in a gold rush. I explained that this is what has happened 100 years ago. It was the same thing in 2000—everyone has gone crazy! Everyone is highly emotional. So we actually exited. For example, we had signed a huge office lease in California. We got out of that lease while other people were still going in and signing leases. We started to down-scale. We got down to 175 people very fast—and that saved us.

Because of my trip to Alaska, I saw what was going to happen. We reacted way faster than most of our competitors. We were able to survive it, but many people failed. Most of the guys in the Montreal area that I knew, many that were my friends, didn't survive the Y2K crash. They couldn't cut fast enough. Cash-flow dried up because people weren't paying their bills. That was probably my toughest disappointment—people weren't paying their bills.

In the meantime, our publicly-traded stock went from \$50.00/share to \$0.60/share! When the stock was soaring we didn't worry about making money. It didn't matter. Profits were totally irrelevant. We were just growing as fast as we could. We were raising money on the stock market to fund our growth. It was a crazy, crazy time—and then all of a sudden it crashed.

It was hard to feel motivated to keep going. Our focus was on trying to rebuild. Our revenue had gotten up to \$35 million and then it dropped down to \$22 million. So we were reclaiming ground that we had already covered. It's hard to be motivated because I felt like I had already been there. But, the fun part is that we re-built a healthy business. We had learned valuable lessons. We were far more careful in terms of people growth. Today we generate about \$42 million with 300 people; we are far more carefully built.

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21. Once you got going, what were the most difficult gaps to fill and problems to solve as you began to grow your company?

In software the challenge is really getting the right people. For example, a smart programmer is worth five average programmers. And a top-notch sales person is worth way more than five bad ones. If you have a good lead, but don't have a good rep' to give it to, then you have lost the lead. So your costs are that not only are you paying the person but they are not helping the business. So probably the biggest single thing is finding top-notch sales and pre-sales people. It is all people-related.

22. What were the key attributes you looked for in people (partners, advisors, managers) as you grew the company?

It sounds very callous to say, but in the IT business the number one thing that I look for in people is brains. It is cold, hard IQ. You could have a super nice person, with great integrity and they get along well with everyone. But if they are not very smart it doesn't work in this business. To get the people with the raw IQ you put up with some stuff sometimes. I interviewed this one guy, who has now been with us for 20 years, that my management team did not want to hire. He was long haired and wasn't very clean. I interviewed him and realized that this guy was brilliant. Today he is a well-loved and respected guy in the organization. He is now married with a few kids. So, to me my primary thing that I look for is pure brains. Then obviously, they also have to be people of integrity and people that can get along with others.

In terms of the backgrounds of people we hire, I actually prefer engineers. I feel that engineers have figured out how to think and plan. With computer science people, often the technology that they learned in school is already obsolete by the time they start working.

III. Reflective Questions

23. What are some things that you have found to be most personally rewarding and satisfying for yourself as an entrepreneur?

I love building stuff. I love starting with an idea, seeing it build and growing into something.

24. What are ways in which you have developed your own entrepreneurial skills in order to be more effective as an entrepreneur?

I read. I am really self-taught because my circumstances didn't allow me to have much formal education. I am an avid reader of the *Harvard Business Review*.¹³ I read business books. I will sit in on stuff where I can grab a half-day and listen and learn from a lecture or something that will help me.

25. What are ways in which you cope with or manage the personal stress of being an entrepreneur?

I don't walk close to the edge on anything. I did that when I was younger—but I don't do that anymore. Entrepreneurial-wise when I was younger, I had times when I was very worried about cash-flow. My wife and I are best friends and she would be my number 1 counterbalance. But I would say that over the last 15 years I just don't walk close to the edge anymore. I have no stress in my work life because I don't run close to the edge on anything. Everything I have got going is well cash-flowed. I just had a deal where I was buying some property. The mortgage guy dropped the ball, but we wanted to close the deal. So I just paid it and now I set up the mortgage for it myself. So I keep stuff cash-flowed with mortgages and stuff like that. I have got lots of buffer so I am not in a panic situation or a stress situation. I don't want to go back—it's no fun.

26. What are the ways in which you have dealt with others who have disappointed you in business?

I have had many disappointments, anywhere from people literally stealing from me to a senior employee who had an affair with another employee and ended up funding the whole party with company money. I have had employees cheat. I have had people steal from the company. These disappointments relate to the spiritual dimension, because I see it as part

¹³ See www.hbr.org.

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of our fallen condition. I still have a great relationship with that senior employee who had the affair. We worked him through the process and he is back working for us.

My wife and I built our family by taking in a total of 19 Montreal foster kids over the years. We have a core group of six children, three of whom we have adopted. One of our children, who is now a young adult, has fetal alcohol syndrome. This child has terrible trouble with basic integrity. Just this summer my wife and I were on a trip and when we came back my trailer was gone from the backyard. It turned out that this particular child was broke and had sold it to get the money. So I am used to living in the broken world; disappointments with people don't overly rattle me. I deal with it, look at the person and what they need to do to get back on track. It hasn't really affected me or stressed me out. Maybe all our work with foster kids over the years has prepared me for that and helped me kind of understand that.

27. What do you think are the most important personal traits (up to 3) for an entrepreneur and why?

I look at my own family situation, with my siblings. I have three brothers and I am the only entrepreneur in the bunch. So what is different about me than the other guys? They are all very honest, very reliable guys and are all passionate about what they do. But, they didn't take risks. So, I would say that important traits for entrepreneurs are courage and a desire to do your own thing.

Related to that, most of my brothers increased their lifestyle expenses as fast as or faster than their income went up. They were never in a position where they had surplus money set aside where they could potentially launch something. I would put that personally as a huge area for an entrepreneur that you have got to be able to live within your means, or below your means, so you can end up with the ability to have some play money, to actually try some stuff.

28. What are the most important lessons you have learned with respect to starting and running a business that you pass on to an aspiring entrepreneur?

I work quite a bit with younger guys that are trying entrepreneurial ventures. I talk a lot to them about living within your means. I talk to them about the whole area of not 'betting the whole farm.' Although I didn't start with a business plan, I push them really hard on having a well thought-out plan. I think there are, like Warren Buffet says, good businesses to be in and there are bad businesses to be in. Oftentimes entrepreneurs start out without actually analysing where the money is. Then they get pressured to be dishonest. So I think they need to really be accountable on that. One of the problems there is very little policing of private companies. By contrast, as a public company, you are open to scrutiny all the time. I actually love being public. Our whole management team knows that you don't mess around or you can be behind bars. The senior management team has to sign off every quarter that they are not withholding any pertinent information and that the deals that came in, came in 'above board.'

In private companies there is not the same level of ongoing scrutiny. So when company owners come under financial pressure they may be more likely to do things they shouldn't. I know a great guy that ended up being pressured financially. Somebody came along and offered to pay some of his employees with cash and he would bill this company for fictitious training and the government would pay for some of the training. He started into it and got deeper and deeper and he was stressed out of his mind. Then he got busted one evening. This started because he had a tough year and felt like this was an easy way out.

IV. Faith, Entrepreneurship & the Marketplace

29. How do you describe the impact of your Christian faith in terms of how you find or define meaning in the context of your entrepreneurial pursuits?

To me, my business folks are my neighbors in the biblical context. So who is your neighbor? To me it is the people that I rub shoulders with every day. In our society it is less and less the people that live next door. In prior societies you often worked with the people next door as well and you lived life with them. Now we more live life with the people that we work

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with. To me, the guy that is sitting in the office next to me is my neighbor and the people outside the door are my neighbors. So I feel a sense of calling to this environment that I have and to be a light with my Christian faith in this environment and context.

30. Who, if any one, affirmed your sense of direction in your entrepreneurial pursuits (as described in Question #29 above)?

I have lots of people that confirmed this as being something that is a blessing and that I seem to be where I belong. However, I didn't really have mentors or people that built into me. As I mentioned earlier, the culture I grew up in was kind of anti-entrepreneurial.

31. As a result of being a Christian entrepreneur, how has your approach to entrepreneurship changed?

I have always been a Christian entrepreneur. In terms of how has Christianity affected entrepreneurship compared to other entrepreneurs out there, I see that my life is more balanced. I have balance in my life as a result of my Christian faith and what I wanted to do in my life. I don't work evenings, I don't work weekends. I am very involved in my church. I am involved with my kids and always have been.

I often see folks that are not Christians that are entrepreneurs and they end up with work consuming them. My faith gives me very clear boundaries. In some cases these are moral boundaries. For example, unless a woman is young enough to be my daughter or old enough to be my mother, I won't have a meal with one woman. That seems very counter-cultural right now, but the women who get to know me that way, it gives them a respect for me in many ways because they know it is something that I have as a principle. I quote Billy Graham on it and it kind of takes the sting out of it. He navigated through his whole life when other evangelists crashed and burned.

In other cases as a Christian I have a different view of money. I am more generous probably, just from what I understand of giving. I know some very generous folks that are not believers, but my drive is different.

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Hopefully I am more gracious; hopefully in bad situations I try to pray before-hand that I would honor God in the situation and I would be like Jesus.

32. How did you (or do you) integrate your business/entrepreneurship expertise with your Christian commitment (and how are they complementary)?

I coach folks in our Christian community who are entrepreneurially oriented. I will chat with them through a business plan or help them. I am the head of the church finance team. Then, of course, there is my work with Youth for Christ (“YFC”) where I use my skills in business to actually run a sizeable ministry (see answer to Question #35 below).

33. How have you been involved in your local church (that you now attend and the ones you have attended in the past)? (whether or not these are related to your business expertise)?

I am one of the elders. I do some of the preaching, probably five times a year and then I also handle the youth ministry. We have about 300 attendees at our church. Right now I am helping run the youth ministry because we just ended our relationship with our youth pastor a few months ago. I have a great team of young adults and they actually run it. I love it because it is building into young folks who are in turn running the youth ministry.

34. Have you been involved in your church denomination and how?

I have gone to some of the annual meetings of the denomination. I am also one of the civil pastors, approved by the denomination, so I can perform marriages and other duties.

35. Have you been involved in para-church organizations and how?

I am deeply involved in YFC in Canada. It started in 1993 when my wife and I began supporting a local YFC worker in Montreal for \$100 a month. We went to a dessert and coffee gathering. We listened to this guy’s story. He seemed like a good guy so we signed

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up to start supporting him \$100 a month. In 1995 I received a letter from the YFC board chair saying that the Montreal operations were down to one guy, which happened to be the guy that we were supporting. The board chair said they were going to have to close the organization in Quebec unless they could find a voluntary Executive Director to oversee this fellow. I called up the board chair and he said “There is nothing to it – you got to a meeting or two a year.” So I said no problem and I agreed to be the Executive Director for Montreal. I had the one YFC fellow move into our TECSYS office next to my office.

Out of interest I hopped on a plane a few months later and went out to Winnipeg because I wanted to see the largest chapter in Canada. I got a vision for what could be done in YFC in Montreal. I came back and we started working on a plan. By 2000, we had appointed an Executive Director for Montreal named Al Heron. He was phenomenally gifted as a leader and fluently bilingual. He had been raised in Quebec and really got the culture here. I then became the board chair. I took over from the gentleman who had first gotten me involved with his letter.

So, during 2000-2003 I was just the Board chair in Montreal. The ministry continued to grow in the city and it was great. Then YFC asked me to serve on the National Board in 2003. In 2006 this Board asked me if I would consider taking on YFC. At that time I was transitioning my brother, Peter, into a greater leadership role at TECSYS. I was 50 and that’s a time when lots of guys look at life and figure out if there is something different they want to do. So I decided to do it. I took on the role of National Director as a volunteer. At the time there was just three people in the national office and it was pretty broken. I think we had gone through ten National Directors in the past 15 years, all of whom came in from the outside. None had been able to stick and help YFC grow. However, because I had experience with YFC starting in 1995, been an Executive Director, built relationships across the country, it was a natural progression for me to become the national Executive Director.

YFC has been a great journey for me. I think we are up to 25-28 people now on the National team. The ministry has been growing steadily. We were around \$18-20 million in revenue then and we are now at \$33 million. YFC has been growing really nicely with over 600 staff across Canada. We are having a lot of impact among youth and have received lots of good government recognition. We also have a lot of very talented young people getting involved in YFC.

36. What are some examples [i.e. situations with partners, suppliers, customers, etc.] of how you have integrated biblical principles into your business practices and thus acted differently than a non-Christian due to your Christian faith?

I quote Jesus to secular people because Jesus gave us lots of practical stuff.

Whenever we do an organizational chart, I point out that you can't have two bosses. Why? Jesus, the guy that made us, said that "no man can serve two masters, because he will end up hating one and loving the other." You can have some sort of dotted line for specifics, or some sort of matrix thing, but you have got to know who your boss is. In quoting something like that, there is a lot of messages underneath that. You respect Jesus. You recognize him. I love to say that after all he is the guy who made us because it plants that seed for further discussion.

"A man's life does not consist in the abundance of the things he possesses" is another one of Jesus' quotes that I love to just sort of throw out there.

Another quote is "No man that builds a tower does it unless he has counted the cost first and figures out if he has enough money to complete it."

So, there are lots of Jesus' sayings that you can quote in a secular setting and use in developing business plans and testing of business plans. I have just found that to be a huge way to integrate and quote biblical principles in a secular setting.

37. What are the most important lessons (up to 3) you have learned that you believe are important for Christians pursuing entrepreneurship?

First, play by the rules. My family used to love to play Monopoly when I was growing up. There was a time in my childhood where my family started changing the rules in Monopoly. We began to pass out extra \$500 bills to people that got in trouble. It was fun in a certain sense because it made the game go on forever. At the same time it lost the point of the game in a sense because there was no winning and losing. There were no rules.

I basically use that sometimes and say that we are called as Christians to be honest people, to play by the rules because we honor God in doing that. There will be pressure on you almost every day to cheat. That is part of the nature of the marketplace. However, in honoring God and being honest and doing things 'above board' you will end up making better business decisions. You do it first of all because you are a Christian and you want to honor God, but you are a better entrepreneur as a Christian entrepreneur. Why? It's because you know you can't cheat. So you better figure out where the money is first. You better make sure there is good enough margin in a particular business

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before you go into it. If there is not enough margin in the business to do it honestly, then don't do it. So, a Christian approach forces you to make better business decisions.

I think there's an added benefit of taking a Christian approach. I firmly believe that seeking to walk with the Lord and honor the Lord in your business is good for business. You end up with a level of integrity that makes people trust you and want to do business with you.

38. How could the church in a general sense (i.e. a local congregation) support you in applying your faith in the context of entrepreneurship?

I have no idea. The church generally doesn't understand entrepreneurs well. Many of the people in church think I am "filthy rich". I fear that in their heart of hearts they suspect that I must have built my business dishonestly somehow because they are working hard and they don't have the same level of financial success. Many of them feel that they are underpaid by the entrepreneurs that they work for!

I prefer to fly beneath the radar. If you hear me introduce myself to somebody that works for me in the company in the church setting I will just say, "so-and-so and I work together for a tech company." It always creates the wrong emotions and the wrong reactions for people to get into the entrepreneur thing. I have been an entrepreneur in a church setting and even in leadership in a church and I just really downplay what I do. I just try to look and act like everyone else. On the other hand, it must take a lot of grace to work with us entrepreneurs in a church setting.

39. What have been the most significant challenges for you as a Christian pursuing entrepreneurship?

Probably the social side of things. When I was a young entrepreneur my standards for what I would go to see, or environments that I would allow myself to be in, hindered me sometimes in the relational building of things and just in connecting with the right people. Now things are different, though. You reach a certain stature or position where those issues cease to be important. When you are new and just building and growing, people want you to go out drinking with them. I never like to go to an establishment where I wouldn't like my daughter to be working. That is my standard. So I don't want to go into, not just a strip bar, but I don't want to go into a bar at all where the women are dressed provocatively. If I wouldn't want my daughter working there then I don't want to be in there. That was hard when I was younger. Now I can set the rules. I feel for the younger guys that

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are getting going because it is still a dark world. When I got started, strip bars were a huge thing and it was quite business-acceptable for a bunch of guys to go to a strip club at lunch or after work. That is gone. It is now seen as pretty sleazy to do that. But for young guys just getting going, I think there are social pressures in building relationships and networking with the right people. I think there are pressures there that are tough on a Christian.

40. Who was most helpful (and why or how) in addressing these challenges: church leadership, Christian friends, etc.?

I would say Christian friends. I have some friends that I could confer with on these challenges; not my church leadership, that's for sure.

41. Have you hired people from your church? If so, has that been a positive or negative experience?

Yes, to the first question and lots of funny stories for the second one. Some have been phenomenally positive, others not so much. There is one guy that was a burned-out Baptist pastor. He came to our church. The guy was unemployed and living in a terrible part of town. So I gave him a job in our Quality Assurance Department. Three or four months later he started sending out e-mail blasts to everyone in the business saying that TECSYS was within weeks of going bankrupt! He urged people to make sure they got their expense reports in quickly. Then it turned out there was some theology that he was into and he was sure the end of the world was coming! He had seen TECSYS as a tech company that was part of bringing in "the Beast" and the end was near.

There was another guy that was an addict. He had gotten clean and I had given him a job. I wasn't aware of how he was doing. My staff waited until I was on vacation and then one of the people that they know I have high respect for fired him the day I left.

So we have had some interesting stories along the way, but generally it has been a good experience. There are probably 8 - 10 people in the 300 that came through the church setting and ended up being part of the company and have done very well.

42. Have you done business with other people in your church and how?

As little as possible. I really try to not do any business with church folks. I can't think of any right now. People have come to me and I basically discourage it.

43. Has your relationship with those people you have done business with in your church been positively or negatively affected—from a business and spiritual standpoint—by doing business together and how?

I would really say I haven't done any.

44. What do you believe are appropriate means to share your faith in your company?

What I try to do, in company meetings and when I am speaking publically, is to give honor to God and give my own personal belief as to who I am, why I am here, my purpose for being here, and in comments that I make, such as quoting Jesus.

We will give thanks before company dinner, when the company is together. At Christmas time one of us, either my brother [President of the company] or I, will do a relatively short “reason for the season” talk. From there on it is individual opportunities. We hope and pray that those opportunities will plant seeds and that there are individuals within whom the Spirit of God is working and that they will come and want to talk to us.

Over the years we have seen a number of people come to know the Lord. For example, I did my first “beer and baptism party” this summer. It was a lady that had worked for me for 8-9 years as my administrative assistant. When she started working for me she was an atheist and then she came to faith in Christ. She had a terrible upbringing. The snapshot was that she told me she was an atheist when I gave her something to do for YFC. I said back to her, “no you are not an atheist.” That made her madder. She asked why I was saying that. I said “because if you are an atheist there is no one to be mad at and you are obviously very angry.” She started to cry and she said “yes, you are dead on, I am very angry at God.” Then she told me about her upbringing. She left on maternity leave. I asked her, just when she

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first looked at her new-born baby to think about “God is love” and she agreed she would do that. She came back and another person in the office led her to the Lord.

Although she fought it, she then decided to get baptized. She knew that was really symbolizing Christ being Lord of her life. She wanted it in her backyard in her swimming pool so she could invite all her neighbors and friends together. It was a beer and baptism. I got there and the beer was flowing. There were 50-60 people. We got everybody out of the pool. I sat there with her at the end of the pool in two lawn chairs. I asked her some questions. She gave a phenomenal testimony about what God had done in her life. After the baptism her husband talked about how without God they still wouldn't be together and the change that it has made with them. Then they invited all their friends and neighbors to come to know the same Lord that they came to know. That was pretty awesome.

So, yes, people have come to know the Lord through the company here or there over the years, but not as many as we would like.

45. Is there any particular passage(s) of scripture that you have found particularly meaningful or that is inspirational to you?

The one I had on my wall for a long time was Micah 6: 8

⁸He has shown you, O mortal, what is good.
And what does the LORD require of you?
To act justly and to love mercy
and to walk humbly with your God.¹⁴

That is a great conversation starter.

46. Do you have any questions or comments related to Christian entrepreneurs that you would like to express an opinion on and that were not covered in this questionnaire?

No.