

Ivey Entrepreneur

Championing Entrepreneurship in Canada

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Squeezing the Goodness out of Family Business

David Simpson is leading Ivey's Business Families Centre to the next level

"The task of a family is to raise responsible adults who have high self-esteem and can function independently in their world. Acceptance is unconditional. The task of a business is to generate profits. Acceptance is based on competence, and the ability to develop skills, to produce and to perform."

Those are the words of David Bork, an American writer and family consultant who has been a guest speaker at Ivey's Business Families Centre. Director David Simpson says the Centre's mission is simple: "We help families remember those distinctions."

The Business Families Centre was established in 2005, with support from the Business Families Foundation (BFF). BFF was founded by Philippe and Nan-b de Gaspé Beaubien, founders of Telemedia, to foster research and education on issues faced by family businesses. Simpson says the name of Ivey's Centre was chosen for a reason. "We called it the Business Families Centre, instead of the Family Business Centre, because we feel it's more important to transfer business values – entrepreneurship, integrity, community involvement – than to pass on a specific business. That resonated with [philanthropist and Ivey alumnus] Richard Ivey, who noted that he and his sisters are from a successful business family but are now bound together by their philanthropic work."

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Institute Buzz



By Stewart Thornhill,
Executive Director, Pierre
L. Morrissette Institute for
Entrepreneurship

There's a tension in the air at Ivey. It's not a bad tension, but you can feel it all the same. It's the tension that comes *when something that has been, prepares to give way to something that has yet to be*. It sounds a bit *Zen* but with so many ongoing transitions, finding a higher plane of perspective seems like a good idea.

Some transitions relate to the annual cycle of graduation and intake of students. Just as one group sprints to the finish line, another is queuing up to take their place. They'll be in new, shiny classrooms, imbued with that "new building" smell. For the first time in years, MBA, HBA, MSc, faculty and staff will be under one roof. The opening of the new building will also coincide with Dean Carol Stephenson stepping down after ten years with Ivey, where she will leave behind a legacy of tremendous growth.

There is transition within the Entrepreneurship Institute as well as our John R. Currie Executive Entrepreneur in Residence, Ron Close, will be returning to a full-time, private sector CEO role this summer. For the past five years, Ron has grown and transformed our New Venture Project stream in the MBA and HBA programs. We were incredibly fortunate to have Ron – with his passion, energy and mentorship – as part of our team and he will be deeply missed. In the next newsletter, I'll introduce you to our new Entrepreneur(s) in Residence.

And yet, as the past makes way for the future, there are elements of continuity that remind us that all is not in flux. In January, Ivey hosted the 15th annual IBK Capital business plan competition, which amid strong performances by our Ivey teams, was won by *Picassolar* from the University of Arkansas. We held our annual Scholarship Dinner in Toronto this January as well, where entrepreneurship scholarship recipients had an opportunity to meet their benefactors and share the experiences that brought them together. We also celebrated the 9th National Family Business Day Celebration with Jonathan McCain HBA '07, of the famous McCain family.

So, as we prepare for the new, we can do so with the confidence that we're also keeping a wonderful legacy alive.

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“It’s more important to transfer business values – entrepreneurship, integrity, community involvement – than to pass on a specific business.”

Simpson has firsthand experience of the challenges of running a business with a family member. He and his brother, both professional hockey players, were successful business partners for a decade. Eventually recognizing that “we were better brothers than partners,” they decided to go their own ways. Simpson continued as an entrepreneur. He was asked to teach a course on family business at Ivey in 2005 and then helped put together funding for the Centre. He has been at the helm ever since.

Why does Ivey need a Centre focused on family business? Because 80% of the world’s enterprises are family-controlled or family-influenced, and 35% of Fortune

500 companies are family-controlled. “Our students will undoubtedly be in a role where they advise, consult with or work at a business that is family-controlled,” says Simpson. In addition, research shows family businesses generally out-perform other business models on key financial metrics. “We need to learn from their success.”

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The Centre has a three-part mandate – to celebrate, support and study business families. Celebration takes the form of an annual Family Business Day event, which includes a high-profile speaker (Jonathan McCain spoke this year, see below) and presentation of family business awards in partnership with the Canadian Association of Family Enterprise.



The McCabe family of McCabe Promotional Advertising Inc. in London won the 2013 Family Enterprise of the Year Achievement Award at the 9th Annual National Family Business Day Celebration. PHOTO: (Left to Right) Jim, Sandi and Jamie McCabe.

The Centre supports family businesses through a variety of outreach activities, including the annual two-day *Leading Family Firms* workshop and sessions on specific issues such as family cottage transitions and private equity buyouts. Ivey students can also take a *Leading Family Firms* course, and the Centre offers a program for advisors too. “Study” takes the form of case-writing, curriculum development and research.

Business success runs in the family

It is hard to imagine the humble beginnings of the McCain family business. In 1957, McCain Foods had a single plant with 30 employees and earned sales of \$152,678.

Today, combining both major businesses within the family, McCain Foods and Maple Leaf Foods employ more than 40,000 employees in plants across the world and has a combined annual revenue of \$11 billion; the McCain family business is a Canadian success story.

Continuing that story is Jonathan McCain, son of Michael McCain, President of *Maple Leaf Foods* and grandson of the late Wallace McCain of *McCain Foods Ltd.* On March 1st, Jonathan McCain delivered the keynote

address at the 9th Annual National Family Business Day Celebration, hosted by Ivey’s Business Families Centre in partnership with the Canadian Association of Family Enterprise (CAFE), Southwestern Ontario.

Being part of such an illustrious business family, Jonathan McCain said that there was little surprise when he decided to pursue business.

“In short, believe it or not, I was pretty interested in business from a young age,” he said. “I was given a lot of informal education and the ability to leverage this has been very rewarding.”

In addition to this “informal education,” McCain followed in his father’s footsteps by

attending the Richard Ivey School of Business. The younger McCain graduated from Ivey’s HBA program in 2007; almost thirty years after Michael McCain completed his HBA in 1979.

Unlike his famous family, McCain steered clear of the frozen food business and worked at the prestigious Boston Consulting Group before purchasing Scaffold Russ Dilworth Ltd., an Ontario-based scaffolding and shoring solutions provider. While proud of his family legacy, McCain stressed the importance of autonomy when part of a family business. “You can be perfectly independent within your family business,” said McCain, as he continues to chart his own journey and a chapter in the McCain legacy.

"Ivey is unique in using our case study method to work through challenges for families. We combine Ivey's strength in teaching with cases with materials from the Business Family Foundation."

"Family pride in ownership tends to create a culture that encourages win-win relationships. . . At the same time, the best business families remain entrepreneurial . . ."

As nearly \$1 trillion in family assets change generational hands over the next decade, managing the transition from one generation to another will continue to be an important focus for the Centre. Simpson says that for first generation owners, it can be very difficult to let go of the business they birthed and nurtured. For second and third-generation owners, the issues often relate to balancing family legacy with modern business realities.

"Often it's about how they keep the business alive in today's economy."

In addition to its ongoing work, the Centre is currently focused on three major initiatives: populating the website with useful and practical research, articles and video recordings; collaborating with BFF to host a series of online educational materials; and working with partners to deliver an advisor in family business certification program.

Simpson says any entrepreneur can learn from the culture of family business. "Family pride in ownership tends to create a culture that encourages win-win relationships, instead of one-off transactions," he says. "At the same time the best business families remain entrepreneurial, passing on to the next generation the notion that the business needs to be constantly re-invented to remain relevant." As an entrepreneur himself, Simpson recognizes the important role the Pierre L. Morrisette Institute is playing in the culture of

Ivey. As such, the Business Families Centre operates within the Institute, ensuring that Ivey programs support entrepreneurs from start-up phase, through growth and ultimately, through transition at the family business stage.

Family businesses are important wealth generators for the people involved, Simpson says, but just as important, they are community builders. "There isn't a single orange grove in the St. John River valley, yet the biggest orange juice production plant in North America is there. And that's because the McCain family lives there."

UPCOMING EVENTS

Ivey Crosbie Roundtable – The National Club, Toronto ON (April 16, 2013)

The event includes a conversation on cross-border acquisitions with Gene Toombs and Thomas J. Manenti from MiTek, facilitated by Dave Simpson.
Contact: Dina Sutera (416) 362 1709

Leading Family Firms – Ivey Spencer Leadership Centre (November 21-22, 2013)

Contact: Dave Simpson at dsimpson@ivey.uwo.ca



Jonathan McCain shared three pieces of advice for family businesses:

- Develop cohesion across the family;
- Get to know each individual's strengths and weaknesses;
- Ensure all roles and business positions are based on merit, as determined by an unbiased third party.

PHOTO: Jonathan McCain (left) and David Simpson share a laugh during the 2013 National Family Business Day Celebration.

2013 IBK Capital – Ivey Business Plan Competition

The Pierre L. Morrisette Institute for Entrepreneurship hosted the 15th Annual *IBK Capital – Ivey Business Plan Competition* on January, 25-26. A total of nine teams were selected to participate, representing the University of Western, University of Waterloo and the University of Arkansas.

Three teams qualified to the grand finals, which included *Eyes OnSite* from Ivey and two teams from Arkansas, *Picassolar* and *ParadigmMed*. The first prize of \$20,000 and a seat at the 2013 *Global Venture Labs Competition* in Austin, Texas, was won by *Picassolar*, who had developed a hydrogen selective emitter process that alters the material property of solar cells, boosting the relative efficiency of solar panels by 15%. *Picassolar's* success was also the second consecutive triumph by a team from the University of Arkansas.

This year's event was the 10th collaboration between Ivey and title sponsor IBK Capital, led by founder Bill White, MBA '69 and President and CEO Michael White, MBA '00. The competition was also supported by the MBAA Association, Summerhill Venture Partners and CIBC. The event also included sessions by Albert Behr (Behr & Associates) and Krista Jones (MaRS Discovery District) and a fireside chat between Stewart Thornhill and Ted Manziaris of Turtle Island Recycling.



Western/Ivey Wes Nicol Business Plan Competition 2013

On March 1st, the Institute hosted the 7th annual local Wes Nicol Business Plan Competition. Western and Ivey HBA students pitched their business ideas to secure a first prize of \$5,000 and an opportunity to attend the National Wes Nicol Entrepreneurial Award in Ottawa. The close competition was won by a pre-booking parking service by Tomas van Stee and Aprameya Rao titled *Spotlander*. Judges for the event included Dennis Ensing (Tech Alliance), Carmen Gicante (Southwestern Ontario Angel Group) and Andrew Campbell (founder of ACAI Inc.).

YouTube **Season 2: Ivey 60 Second Entrepreneur**
The second season of the Ivey | 60 Second Entrepreneur video series is now on YouTube. The series showcases successful Ivey entrepreneurs with advice and experiences useful to new entrepreneurs.

Season 2: <http://go.ivey.ca/60second2>

Season 1: <http://go.ivey.ca/60second>

2013 Scholarship Dinner

The Institute hosted its annual Scholarship Dinner to honor both donors and recipients of Ivey's entrepreneurship awards and scholarships.

Amongst the attendees at the event held on January 31st at the National Club in Toronto, were Pierre L. Morrisette, John R. Currie, Bruce Lloyd and Paul Sabourin; all ardent supporters of entrepreneurship at Ivey.

Former *John R. Currie HBA Award* recipient and co-owner of *WinJunkie* (an online contest website) Gabe Diamond also shared his experience as a young entrepreneur and the impact of the 2009 award on his journey.

Ivey offers a range of entrepreneurship awards and scholarships in its HBA, MBA and Doctoral Programs. These include the Courthill Capital Leadership Award, John R. Currie HBA Award, Gudewill Entrepreneurial Awards, Pierre L. Morrisette HBA and Doctoral Scholarships, Nelson M. Davis Scholarship, Schulich Award and Hydrogenics MBA Award in Entrepreneurship.

