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Vol. 35 No. 7 July/August 2018- \$6.95



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INSIDE

- CFFB celebrates 20 years
- Stecho returns to the vision of its founder
- The nitty-gritty of running a family business
- Bluesfest funding challenges

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EXCHANGE

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EXCHANGE magazine is a regional business publication published by Exchange Business Communication Inc., CEO Jon Rohr. Exchange Magazine is distributed to each company in Kitchener, Waterloo, Cambridge, Guelph, and area as determined by Canada Post Business Walk Service. Exchange, PO Box 248, Waterloo ON N2J 4A4. Phone: (519) 886-0298 x 301. ISSN 0824-45 Copyright, 2018. No part of this magazine may be reproduced without written permission from the publisher.

Editor's note

BUILDING ON THE PAST

The balance between history and vision

BY PAUL KNOWLES

Our theme, this issue, is "Family Business". However, a seismic change in our Region was announced as we prepared this magazine, and we had to respond. Regional Chair Ken Seiling announced his retirement, after 33 years spent leading our Region – and we arranged an exclusive interview with Ken.

The truth is, there are strong connections between what Ken Seiling had to say, and the state of family businesses in our region today. Because while Ken understandably spent some time reflecting on his career, he has not stopped looking ahead, trying to make sure that accomplishments he values most highly are maintained through subsequent councils, and encouraging his successors to focus on challenges that have yet to be met.

He's looking back – while still thinking about the future.

That meshes with a key theme in the feature on Stecho Electric. Steve Stecho is the third generation to head that business, and his story is also about looking back to move ahead. He returned to the vision of his grandfather, who founded the business, to create a plan for the future of his company.

Our community is justifiably proud of our heritage; we need to use that heritage as a foundation for visionary, innovative growth today and into the future. **X**

FAMILY BUSINESS

LEADERSHIP | MENTORS

CFFB CELEBRATES 20 YEARS

More than 130 current and former members of the Centre for Family Business celebrated the 20th anniversary of the CFFB, and honoured longevity milestones of its member businesses. The Centre was founded at the impetus of Waterloo Region entrepreneurs Milo Shantz and Peter Hallman, as a place where family business owners could network and learn from the experiences of other family businesses. CFFB, based in Waterloo Region, is one of the largest such associations in Canada, with more than 65 member businesses ranging in size from a few employees to several hundred. CFFB's mission remains true to the original vision: to ensure businesses continue to prosper over successive generations. **X**



Larry & Lorna Hundt (Great Canadian Holidays & Coaches), Rick Baker (Neustyle Software & Systems). Rick presented the Hundts with the CFFB Leadership award.



Mark Hallman, Brenda Hallman, Steve Wagler (Josslin Insurance). The Hallmans presented Steve with the Peter Hallman Mentor Award.

SUCCESSION | MILESTONE | CFFB AWARDS 2018



Carol Zettel (Trillium Metal Stampings), Donald Linders (Georef Systems). Donald presented Carol with the completed succession award.



Lewy & Anne Straus (Lewis Straus Construction), Leigh Grant (Win-Leader Corp), Luke Straus and Larry Straus (Lewis Straus Construction). Leigh presented them with their completed succession award.



Rick Baker (Neustyle Software & Systems), Janice and Donald Linders (Georef Systems). Rick presented them with the completed succession award.



Donna Schwartztruber (Knapp Fasteners), Janice & Donald Linders (Georef Systems) - 35 year Milestone Anniversary.



Garry & Laurie Fitz-Henry (Signs Galore), Richard Jaques (BMO) - 35 year Milestone Anniversary.



Dean Jutzi (DH Jutzi), Scott Wagler (Josslin Insurance) - 65 year Milestone Anniversary.



Sheila Hannon (Systems Plus), Luke Shantz (Arcadian) - 10 Year Milestone Anniversary

CFFB ANNIVERSARY GALA - MILESTONES AWARDS



Lawrence Bingmans (Bingeman), Dean Jutzi (DH Jutzi) – 80 year Milestone Anniversary.



Michelle Hundt-Tupman (Great Canadian Holidays & Coaches), Amanda & Trevor Sloan (Bob Cat of the TriCities) – 10 Year Milestone Anniversary.



Sabrina Fitzgerald (PwC) Kate and Roger Kropf (Ontario Refrigerated Services Inc.) – 15 Year Milestone Anniversary



Zyg Janecki (City of Kitchener, Councillor), Donald Linders (Georef Systems), Rick Baker (Neustyle Software & Systems) – Presentation to CFFB from City of Kitchener.



Doug Fisher (Retired, Win-Leader Corp), Dave Gascho (Gascho Automotive), Leigh and Curtis Grant (Win-Leader Corp) – 30 Year Milestone Anniversary.



Doug & Valerie Brenneman (Expressway Motors), Donna Schwartztruber (Knapp Fasteners), Nelda & Ray Brenneman (Expressway Motors) – 35 year Milestone Anniversary.



BACK IN MY GRANDFATHER'S DAY

Stecho has grown by returning to the company's roots

Wayne, left, and Steve Stecho

BY PAUL KNOWLES

The company founded in 1952 as Harold Stecho Electric no longer bears Harold's first name – but his grandson, Steve Stecho, freely admits it still carries his vision. In fact, Steve and his partners at the company now simply known as Stecho Electric have grown the business significantly of late, by focusing on the same markets his grandfather emphasized.

Stecho Electric was founded by Harold, then owned and operated by Harold's son, Wayne (Steve's Dad), and is now a three-way partnership between Steve, his brother Mark Stecho, and a long-time employee, Scott Nelson.

Steve says that "Back in my grandfather's day, we were into all the things being developed, as the community was growing." In his father's time, the company morphed into a primary focusing on electricity service maintenance – "That's all we did."

But today, Stecho has refocused on the larger picture, and – as is commemorated in the plaques and scrolls on the walls (and leaning against walls, awaiting mounting) of the offices and boardrooms – is involved in many of the significant commercial, industrial and institutional projects in the region and beyond. Steve smiles as he admits they have recaptured the vision of his grandfather.

He also laughs when asked about the cliché that it takes three generations to destroy a business – one to build, one to maintain, one to lose it. He is very aware of that danger, and he and his brother have focused on insuring that is not their story – and they are clearly succeeding.

An important element in their success is that they're doing what they have always wanted to do. This is not a case of a family business being thrust upon an unwilling successor – Steve says, "I was involved at an early age in the construction industry, and I wanted to be an engineer." He graduated from Fanshawe College as an engineer technologist, and had hoped to work for Ontario Hydro. That didn't work out, so Wayne offered his son a job... sort of.

Steve worked for Stecho and completed his apprenticeship, and then Wayne told him he would have to go out and find his own clients and jobs. "It was a very smart thing my father did," he says. "It forced me to create a business within Harold Stecho Electric."

"It was a very smart thing my father did. It forced me to create a business within Harold Stecho Electric."

Steve has a lot of praise for his father, saying his admiration for his Dad has grown, in hindsight. "As a young fellow, growing the business, I didn't really appreciate his contribution to the business. His mentoring was invaluable. I didn't

realize it at the time, but I owe a lot to him."

The result was, when Wayne retired, in essence "the company was already mine," and had been invented and reinvigorated as "a construction company."

Steve joined Stecho in 1992. At that point, there were four employees. Today, as Stecho Electric plays key roles in important builds all over the region, the team numbers more than 50. Some of that team came to Stecho when the company acquired Victoria Electric, in 2010, a move that Steve describes as "the coming together of two long-term family businesses."



Steve Stecho- third generation at the helm.

And having 50-plus employees, suggests Steve, is just about right. Stecho has been developed to its ideal size, he believes, and the company's focus will continue to be on top quality performance, not increased growth. Most of their work is in construction, construction, although Stecho still has some maintenance contracts and does work in multi-unit residential projects.

Steve and his partners are not looking to stretch their team numbers much further partly because they are committed to treating their employees like

real people with families and meaningful lives outside work. He says that if a team member has a kid involved in an afternoon sporting event, that employee should be free to be there for his or her child.

He points to projects that necessitate weekend or late-night work, and says that every member of the team gets the option to work on those projects, or to choose something with hours in the normal workday. Younger, single staff members tend to opt for the outside-normal-hours work, as do some of the older, empty-nest generation. But when it comes time for bonuses from one of these off-hours projects, everyone in the company shares in the benefit, because those working "day shifts" are allowing the others to be free to complete the other jobs.

"We've had a hand in it"

If you took the time to research the projects nominated for Grand Valley Construction Association awards over the past decades, you would find the name "Stecho" everywhere – including on winning projects this year. Steve says that is mirrored in the cityscapes of the region. "When I drive around the city, there are very few areas we haven't

We can't predict what the industry is going to look like in 10 years. It would be foolish to think there isn't some major disruptor on the horizon.

had a hand in."

Stecho has been involved in many of the new high tech buildings, a trend that started with involvement in some of the Blackberry buildings.

Those buildings were a precursor to the incredible change that has swept through the construction industry in Waterloo Region.

Of course, an electrical contractor must deal with the increasing focus on energy efficiency – and Stecho has been involved in this in many projects, including the new Evolv1, the trend-setting carbon neutral office facility being built by Cora in the David Johnston Research and Technology Park.

The construction of "smart buildings" has changed a great deal in the construction industry, although Steve notes that for an electrical contractor, the basics stay the same, because they are not involved in the software development.

That doesn't mean things have not changed, however. Stecho has just carried out an LED retrofitting program in about a dozen Region of Waterloo facilities, and has also had the electrical contract on the new Metrolinx building.

Perhaps an equally significant change involves the initial approach to construction project. The process has become more collaborative, with contractors and subcontractors involved in the planning stages.

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contractor would be hired to do installation, only, after the work of architects, designers and general contractors had laid out very precise plans. Today, everyone gets involved as a much earlier stage, and Stecho will often be called in as a consultant during the design process, involved in design assessment and project management.

This fits Steve's vision for Stecho. He says that a key strength of his company is "our ability to partner on projects, always looking to the best interests of the client and of the project."

Steve believes this focus on collaboration is producing better buildings – and better relationships across the segments of the construction industry.

Relationships are important

Perhaps it's because of these relationships that Steve agreed to get involved as an executive member – and now, the new President – of the Grand Valley Construction Association. "I thought this was an excellent opportunity for me to give back and to get involved in the construction community. And it's been fantastic, already. I like the people I deal with. It has helped me to grow, and has given me insight" into challenges faced by the industry, including ever-changing legislation, lobbying, and issues around apprenticeship – a never-ending source of concern in the construction industry in Ontario.

Regarding recruitment of young people into the construction trades, Steve admits there can be challenges – but insists that the rewards for newcomers will be substantial.

He says, "it's tough to compete, because the trades are different from high tech. We need you there at 7 a.m. and we need you all day." He thinks the industry needs "to offer different perks," but also points out that young people should realize the pay is "very competitive." He returns to the Stecho policy of "family first", and suggests that offering that kind of flexibility to new recruits could be a significant drawing card for the construction industry, noting that high tech companies may be fine with employees wandering in in mid-morning, but often expect their evening hours to be spent on the job.

So recruitment of talent is key. Contractors like Stecho are eager to attract new employees, either out of high school (they will work with the employee through the

five-year apprenticeship program) or with college training. He believes high school grads, who are typically directed toward university, should also consider college, especially if they have high mechanical aptitude. But he worries that the changes in high school that have eliminated shops, for example, mitigate against young people being interested in the trades. He hopes that co-op programs for high school kids may help bridge that gap.

And speaking of apprenticeship, Stecho notes that a regulation remains in place in Ontario requiring companies to have three journeymen to every one apprentice. That ratio, he insists, is too high. Some provinces have a 2-1 ratio, some even have 1-1. The Ontario regulation is currently under review, and he's lobbying for a change to 2-1, which would allow companies to apprentice more young tradespeople.

"We all have roles"

At Stecho, Steve's official position is President, but he sees his job description in fairly simple terms: "I show up for work, every day. I go out and talk to builders and get new business."

That's his role. "I tell people we all have roles in the company. They can't be out there unless I get new business, but I can't be in here unless they are out there... it's symbiotic."

Steve says that business has been "pretty consistent" for the company. But he can't take that for granted, because "we have lots of competition in this area, which is a little micro-climate" of construction. "We have a lot of small, competent contractors – electrical, general, mechanical."

Sixty-six years after it was founded, Stecho Electric has indeed returned to its roots. But at the same time, it is an utterly different business, working in the high-tech and innovative construction environment of today.

And Steve Stecho believes that we ain't seen nothing, yet. "We can't predict what the industry is going to look like in 10 years," he says. "It would be foolish to think there isn't some major disruptor" on the horizon.

X

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THE NITTY-GRITTY OF RUNNING A FLUID FAMILY BUSINESS

Different models for different times can lead to lasting success

BY PAUL KNOWLES

The description “family business” may seem simple enough – obviously it means “a business owned and operated by members of a family.” Or is it that obvious? Might the business be owned by a family, but operated by other employees? Might only some members of the family own the business? Might only some work there? Might there be partners who are not family members?

Not as simple as it seems. And because not all family businesses are created equal, the ownership, operational and governance models must also be diverse, to meet the needs of this surprisingly diverse category of companies.

An article in the Harvard Business Review, written by American family business advisors Josh Baron and Rob Lachenauer, suggests that there are “five basic ownership models: owner/operator, partnership, distributed, nested, and public.”

Dave Schnarr, Executive Director of the Centre for Family Business in Waterloo Region, told Exchange that this categorization is appropriate: “I believe that these five cover the models of family businesses.” Baron and Lachenauer state, “It’s critical to periodically revisit how you own your family business – particularly during times of transition. Holding on

to the model that worked beautifully in the previous generation can threaten, or even kill, the business in the next generation. It can also put an impossible strain on family relationships.”

The five models of family business

“Perhaps the simplest model replicates the role of the founder – it keeps ownership control in one person (or couple). This model, which we call owner-operator, can be successful for many generations.”

“For other owners, the partnership model works well. Partnerships are unique in that only leaders in the business can be owners and benefit financially from it.” Their third category is “a distributed model where ownership is passed down to most or all

descendants, whether or not they work in the company.”

They add, “Still another option for family business owners is the nested model: Various family branches agree to own some assets jointly and others separately. This model – nested in the sense that smaller family ownership groups sit inside larger ones – is particularly attractive when conflict or differences in preferences interfere with decision-making on shared

Because not all family businesses are created equal, the ownership, operational and governance models must also be diverse.

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assets.”

Their fifth option is “the public model, where at least a portion of the shares are publicly traded, or where a family business behaves like a public company even though it remains privately held. Whether shares are publicly traded, or not, the business is run by professional managers, and the owners play a minimal role, usually limited to electing board members.”

Schnarr says that these five approaches to ownership and management will all have their place, depending on the nature of the company – and the nature of the relationships between the family members.

He told Exchange, “I feel that it depends on the type of business and the family players and, of course, the family history. No one model fits all. One may be better in a particular situation or time. Strategically looking at these approaches on a regular basis is also very key process to determine which fits best at a particular time. The family business may decide that going public might be appropriate at a certain time in their history.”

The two American authors and Schnarr agree that family businesses do not remain static; their needs and their best approach to ownership and management may change, over time – even the family unit itself may change... and may be expanded to include non-family members who have played

important roles in a family business.

Schnarr says, “I am not sure that the definition of family is changing, but it certainly is expanding to include nieces, nephews, cousins, etc. It may even include long time service employees performing key roles.”

Schnarr believes that family businesses may be resistant to changing their organizational model... and that this may be a mistake, in the long term. He says, “Models for family businesses can be fluid, but many are fixed depending upon how long the leading generation continues to play a key role in the organization. It would take a family business with strong leadership and a detailed strategic plan to make any changes.”

Baron and Lachenauer believe that some family business do not adopt needed changes because they are not aware of their options. They wrote, “The lack of awareness that family business ownership requires a set of choices is perhaps the greatest – and most harmful – misconception in the field of family business. Indeed, a failure to understand your ownership options can ultimately cripple your business, causing it to lose its competitive advantage, even resulting in buy-outs or sales that nobody really wants.”

In their article in The Harvard Business Review, the two American experts highlighted some of the challenges and sit-

“Holding on to the model that worked beautifully in the previous generation can threaten, or even kill, the business in the next generation.”

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Centre for Family Business executive director Dave Schnarr has announced that he will retire on December 31 of this year. Schnarr has been executive director of the CFFB since September, 2005. He has also been founder and owner of Dave Schnarr Consulting since 2001. From January, 1976 through December 2000, he served as Superintendent of Human Resources for the Waterloo Catholic District School Board. Dave holds an honours degree in mathematics from the University of Waterloo, and a Masters in Business Administration from Wilfrid Laurier University. Don Linders, President of the CFFB board, said, "The CFFB congratulates Dave on this milestone, and thanks Dave for the work he has done for the Centre. We are sad to see Dave go and wish him all the best in his retirement – no more early morning meetings for Dave unless they start on the golf course!" The CFFB has begun the process of seeking a replacement for the executive director. The CFFB is hosting three more events in the fall of 2018, and invites all family businesses to attend these events; for more information, visit www.cffb.ca.

uations that family businesses can face – situations that demand change, whether or not that change is forthcoming. They point to businesses where some family members are actively engaged, and see other members – who own a piece of the company but are not active in the business – as "free-loaders". They also noted the

reverse issue – the "free-loaders" can consider the working owners as "robber barons", drawing large salaries.

They noted one business owned by four third-generation brothers; three invited their sons to enter the business, but (incredibly in this day and age) tried to block the fourth brother's daughter from joining. The brothers were implacable, and the family business was sold.

"No one model fits all. One may be better in a particular situation or time.

Strategically looking at these approaches on a regular basis is also very key process to determine which fits best at a particular time."

The authors contend that such negative outcomes are not inevitable, but solving stalemates and conflicts depends on a willingness on the part of the family members to allow their organizational structure to be flexible. The writers conclude:

"There's no natural progression from the owner-operator model to the public model. Owners can, and do, move back and forth between models. We've seen ownership groups shift even very large companies from the public model to the distributed model. Of course, moving to a different ownership model involves big changes in governance, legal structures, and family relationships. That's not easy. But adopting a new ownership model can help owners unlock a family business that's become very stuck. It may also be the one thing that can keep your family together."

This century is a family century

Despite Baron's awareness of the dangers of family businesses getting stuck in stubborn situations, he is very optimistic about the potential for success by family businesses. In fact, he has written another article for the Harvard Business Review, entitled "Why the 21st Century Will Belong to Family Busi-



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nesses.” He begins by refuting the significance of the famous statistics about three generations – that 30% of family businesses make it through the second generation, 10%-15% through the third, and only 3%-5% through the fourth generation. He says, “Let’s put it in perspective. How many companies of any kind are still around after the equivalent of three or four generations? A study of 25,000 publicly traded companies from 1950 to 2009 found that, on average, they lasted around 15 years, or not even through one generation. In this context, family businesses look pretty enduring.” He thinks that this reality will be strengthened in the coming years, because he sees family businesses having “innate strengths over other forms of ownership.”

Baron believes that changes in the overall business community have shifted the advantage to family businesses. In the 20th century, he argues, “oceans of opportunities” meant “winning strategies revolved primarily around size,” so “public companies had a clear advantage in the scale economy.”

Not any more, he says. “The qualities often associated with family businesses that were a handicap in the previous century are turning out to be powerful sources of advantage, giving them the potential to be more adaptive to the increasingly intense competition that all businesses are facing.”

Baron identifies five areas of advantage for family business in the 21st century. He says that the focus for employees has shifted from “mass employment to a higher calling” – that a company’s ability to retain large numbers of employees is no longer key; instead, employees are looking for “intrinsic value.”

He sites a Bain & Company study: “Employees want to work hard because they believe in their company’s mission and values, not just because they hope for a large salary or a fast promotion.” A second advantage for today’s family business, says Baron, is a shift away from using “other people’s money” to using “captive capital.” Investment by outside funders, he argues, brings undue pressure for immediate gains. In fact, in study of leading public company CFOs carried out by the Journal of Accounting and Economics (2005), it was found that

78% of these CFOs would be willing to make decisions that destroy value in order to achieve their quarterly earnings targets! In contrast, family businesses tend to “think in generational terms – in decades rather than quarters or years,” says Baron. This means that “family equity can come at a very low cost of capital, where businesses can meet the annual needs of their shareholders without having to worry about paying back the principal. What’s more, since the money at stake is their own, family businesses tend to be cautious in their spending, and the discipline that comes from frugality is a tremendous advantage when topline growth is harder to achieve.” Baron believes that family businesses are inherently suited

“A study of 25,000 publicly traded companies from 1950 to 2009 found that, on average, they lasted around 15 years, or not even through one generation. In this context, family businesses look pretty enduring.”

to business life in the 21st century, with a natural bent away from profit motive, toward sustainability. He writes, “Family businesses have a big head start in building a ‘sustainable footprint.’ There is often a personal connection between the family and the communities in which it operates; reputations matter to families. Investments in the community are likely to have social rationale in addition to an economic one.”

The fourth advantage held by family businesses is that they tend to be much smaller than many of the 20th century corporate “behemoths”. Those giants, he says, are ill-suited to the new reality, where “companies will need to build the capacity for flexibility, adaptability, and quick/decisive action in response to shifting market conditions.”

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On the other hand, he argues, family businesses “tend to have nimbler and flatter structures, where information flows quickly and easily in to the leaders and decisions come out.”

The fifth positive distinction favouring family businesses today, says Baron, is while in large corporations, there is “separation of powers” – where ownership and management are not one and the same, leading to all manner of disconnects – in family businesses, the norm is “engaged ownership.”

Baron concludes his article by contending that family busi-

“Non-family executives must know how to play politics ... between the business and the family.”

nesses that manage these advantages “are well placed to make the 21st century a family business century.”

What if you're not family?

Baron and Lachenauer have also written thoughtfully about those who might be the “forgotten people” in family businesses – the employees, especially senior employees, who are not family members, and are not among those occasional outsiders who are effectively invited to become family members, for business purposes. Again, in the Harvard Business Review, the two authors published an article entitled “Surviving in a Family Business When You’re Not Part of the Family”. They begin the article by stating, “Families can be intensely political organizations, and non-family executives

must know how to play politics both in the business itself and in the dangerous borderland between the business and the family.” And they offer some survival advice to non-family members, beginning with the suggestion that you “play in your ‘room’ only” – in other words, stick to the “management room” and don’t get involved in family issues – including family fights over leadership or company policy. They also recommend being “highly discreet and competent”. They state, “the best way to avoid being left out of critical conversations is to demonstrate your competence.”

Their third recommendation is “avoid proxy wars” – do not become aligned with one rival side in family disputes.

Baron and Lachenauer also say, “Give credit and invoke the family’s higher angels” – learn to deflect credit from yourself to the family, and remember that “most family owners are intensely proud of their companies. When negative family politics break out, you can nudge the family members to remember their family’s greatness.”

They also suggest, “make use of impartial outsiders” to give feedback to family member executives on their performance, to keep yourself outside what may be a confrontational loop. And finally, the two American family business advisors say, “Know your genetic limits” – “You are biologically disadvantaged and have to be savvy enough to recognize this fact. Always be thinking about the family tree and family dynamics when considering your own path up the career ladder.”

Josh Baron is a partner and co-founder of Banyan Global Family Business Advisors, and an adjunct professor at Columbia Business School. Rob Lachenauer is a Partner, CEO and a co-founder of Banyan Global Family Business Advisors, and co-author, with George Stalk, of “Hardball: Are You Playing to Play or Playing to Win?”

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THE COST OF THE BLUES

Two-thirds of the TD Kitchener Blues Festival costs go to security, operations, and staging

It takes a well-orchestrated effort to run the annual TD Kitchener Blues Festival, held each year the second weekend of August. A volunteer board manages 350-400 other volunteers. The key roles require a 12-month commitment, and the only rewards are the feeling of engagement with other people and the knowledge that they are giving back to the community. And, the fantastic music.

The festival, launched in 2000, has introduced this community to world-class blues icons, and attracts over 150,000 people. The festival operates with a cash budget of \$1.1 million and close to \$400,000 in in-kind sponsorship.

"The board has spent the last little while really trying to dramatically reduce our traditional overhead cost," says Rob Barkshire, festival president. All staff salaried positions have been eliminated over the last two years.

"We want to direct our money to what we think is important," adds Barkshire, "and what we clearly think is important is the product – what's on the stage. We spend quite a lot of money to make sure the production value is there: the stages, the equipment, making sure it's the 'right stuff' for the acts. These are Grammy award-winning musicians."

The artists are paid, and artists cost money. Bringing the best musicians to the Kitchener stages is not a problem; the problem is finding the money to keep doing so. "We have problems raising cash," says Barkshire, although the "sponsors are tremendous and many of them are multi-year – they come back to the table, they understand the value we bring to their brand."

Bob Westhaven is board treasurer. "One misconception is that the Kitchener Blues Festival is solely funded by the City of Kitchener. I often have heard that in line, with people saying 'Why would the City of Kitchener charge us this much for a beer?' I've told people that this is not funded by the city of Kitchener, it's a grass roots organization. We get our money from a number of sources including the people buying beverages. All the money is going back into supporting the festival."

Blues Festival revenue breaks down like this: 35% from sponsorships; 24% from four grants (Celebrate Ontario, City of Kitchener, Canadian Heritage Federal Grant and Ontario Arts Council); 24% from beverage sales; 10% ticket sales (for the Thursday night fundraiser; all other events are free) 7% from other donations, silent auction and vendor fees.

Since all concerts except the opening night fundraiser are free, says Westhaven, "the money that we're paying for performances and the gear around it, is coming from beer sales." He notes that the Thursday evening concert features "premium acts in a small venue, good value" (VIP admission is \$150 each ticket, general admission is \$35).

The festival's leaders are astonished at how the event has grown. "Eighteen years ago the festival was three hours long, what you call a pop-up event. Eighteen years later, it's not that at all," says Peter Beacock, director of operations. Today, "we



Bob Westhaven, left, Treasurer of the Kitchener Blues Corporation, Peter Beacock, Director of Operations, and Rob Barkshire, President of the Festival.

have a group of people called our Safety partners, which is a big part of these operational expenses."

The Blues Festival attracts thousands of people, and there will be drinking, probably pot smoking, and other activities. "Our job," says Beacock, "is to let them have their fun and help them get home safely."

It's a brave new world when public gatherings take place. "We used to talk about the artist and equipment, is the festival growing, is the presentation going to be better. It's the jewel of the festival season in Kitchener, it's our little Woodstock for 100 hours.

"But we now have to talk about hardened barricades, so that people who want to drive on the sidewalk are stopped." The festival has "all sorts of security. We're working with the city and the police and fire. Our job is to mitigate anything that could happen".

Beacock adds, "It's critically important; something happening would probably wipe out the festival. The planning and execution of things behind the scenes have been evolving over a number of years, and recently, a large percentage of what we've spent on the product, we're spending on protecting the people that come to see the product."

Barkshire adds, "Our costs continue to go up. The police send us a bill, the City sends us a bill. Planning and scrutiny has increased." He notes that the goal is that the Festival be safe, and family-friendly.

He credits cooperative "partners" including EMS, St. John's Ambulance, and the Alcohol and Gaming Commission of Ontario: "They've done a very good job in maintaining some stability in the costing."

The expense break-down is enlightening: 38% for "operations" – portable toilets, tents, fencing, security; 36% for artists; 11%, production and staging; 7%, marketing; 4%, insurance; and 2% – bad debt, postage, paper, etc.

The organizers know that the audience is not concerned with about 64% of that budget. "We understand – people come for the artists," says Barkshire. But putting on a world-class show requires sufficient income to cover all of the essential costs of producing such an iconic festival.

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Frank Boutzis, President of THEMUSEUM Board of Directors shakes hands Julie Barker-Merz, Senior Vice President, South Western Ontario Division, BMO while David Marskell looks on.

THEMUSEUM PLANS TO ACQUIRE THE NEIGHBOURING BANK OF MONTREAL BUILDING at 2 King Street West, Kitchener. "We're thrilled to announce this sole purchaser agreement with THEMUSEUM and be a part of this important campaign to help bolster the burgeoning arts and culture community of this growing region," said Julie Barker-Merz, Senior Vice President, South Western Ontario Division, BMO Bank of Montreal. "And to further assist, BMO has pledged a \$1,000,000 donation to help transform downtown Kitchener's cultural connection to the community and be a catalyst for renewal of arts and culture in the heart of the city." The acquisition comes at a crucial time, helping secure long-sought sustainability for THEMUSEUM while helping achieve a critical mass for arts and culture, just as downtown Kitchener continues to rejuvenate and reinvent. "THEMUSEUM has helped create a cultural nexus at King and Queen as the community has consistently demonstrated an appetite for our brand of creative engagement," said Frank Boutzis, President of THEMUSEUM Board of Directors. THEMUSEUM will now enter a period of consultation which includes connecting with funders and interested groups. Purchase of 2 King Street West is expected to close later this year.

THE INAUGURAL CANADA'S INNOVATION CORRIDOR SUMMIT TOOK PLACE JUNE 26 at Royal Botanical Gardens in Burlington. This marquee leadership event was an initiative of Canada's Innovation Corridor Business Council, a partnership of leading chambers of commerce and boards of trade located in Southern Ontario. The council represents the collective voice of more than 21,000 businesses, large and small.

The corridor — anchored by Toronto, Waterloo Region and Hamilton-Burlington, and enhanced by a diverse mix of complementary communities — generates more than 18% of

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Canada's GDP and is second only to Silicon Valley measured by the number of start-ups. It boasts a strong advanced manufacturing base coupled with a world class technology sector and innovation system — an ideal clustering of economic strengths. The goal is to see Canada's Innovation Corridor among the world's top 10 economic regions by 2025. The event drew more than 350 senior leaders keen to foster deeper and broader cooperation.

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AS HISTORIC FLOODING CAUSED BY CLIMATE CHANGE DEVASTATES COMMUNITIES in New Brunswick and British Columbia, new research from the University of Waterloo has revealed that the insurance industry hasn't considered a changing climate in their practices, putting homeowners at financial risk. The study which looked at data from 178 insurers, found that most insurance companies assumed the risk to property from extreme weather is static and based their premiums on historical data. However, as extreme weather events are increasing in severity, frequency, and unpredictability, insurers have not adjusted. "As extreme events become more frequent, insurers that ignore climate change will not put away enough money to cover their claims. To re-coup those losses, they'll have to raise rates or pull coverage from high risk areas," said Jason Thistlethwaite, a climate change economist at the University of Waterloo. "When this shift happens, thousands of people will lose coverage or it will be unaffordable."

MORE THAN 200 AWARDS VALUED AT \$241,000 WERE PRESENTED to students at Conestoga's ninth annual Trades & Apprenticeship Awards Presentation at the Waterloo campus. The event recognizes outstanding student achievement in the motive power, construction and industrial trades. Julia Biedermann, executive dean, School of Engineering & IT, School of Trades & Apprenticeship, and Institute for Food Processing Technology, estimates that more than \$1 million dollars has been distributed to students through the annual ceremony since 2010 thanks to the generosity of the many industry partners, associations and individuals who support it. It is believed to be the largest awards presentation of its kind in Canada.

THE UNIVERSITY OF WATERLOO WILL JOIN TOP UNIVERSITIES ACROSS THE GLOBE on an initiative designed to advance research and innovation in blockchain, cryptography and digital payment systems. As the only Canadian participant in Ripple's University Blockchain Research Initiative, Waterloo will help contribute to the world's research capacity in cryptocurrency and

blockchain. The program will support the Ripple Chair, named to Anwar Hasan a professor of computer engineering who is an expert in cryptography, graduate studies scholarships designed to attract new talent, and a new research fund.

TERMINAL, A STARTUP THAT PROVIDES HIGH-GROWTH TECHNOLOGY COMPANIES with a complete solution to build and scale remote world-class technical teams, has announced a Series A funding round of \$13M CAD. The round included leading venture capitalist firms Lightspeed Venture Partners, Thiel Capital, Kleiner Perkins, Atomic, Craft Ventures (David Sacks' new venture firm) as well as prominent angel investor Yahoo! founder Jerry Yang. Terminal will leverage the funding to scale operations across their five offices throughout Canada and the United States and to expand their footprint into Latin America. Demand for Terminal in Kitchener-Waterloo has led to three office moves to support the growth of the team. Earlier this month, Terminal moved into a new 17,000 square foot space and expanded their engineering roster to 80. This brings Terminal's total team to approximately 150 across Canada. Terminal also announced the appointment of Clay Kellogg as Chief Executive Officer.

ONE OF THE PLANET'S LARGEST COLLECTIONS OF DNA SAMPLES – a genetic Noah's ark held at the University of Guelph representing Canadian creatures from mites to whales — is now available to researchers worldwide under an international biodiversity project. Throwing open the doors to a massive genetic archive at U of G's Centre for Biodiversity Genomics's online access to sample information for universities, government agencies and industry that may help researchers pursue projects ranging from human health to biodiversity, said Jeremy deWaard, the centre's associate director of collections.

FOR THE THIRD CONSECUTIVE YEAR, KINDRED CREDIT UNION HAS DONATED \$10,000 to the Canadian Foodgrains Bank to support efforts to end hunger around the world. The donation will be shared across 11 growing projects located near Aylmer, Elmira, Leamington, Milverton, and Mount Forest—sites that were selected by Kindred branch staff. Growing projects are an innovative

way to raise funds. Fostering a sense of community spirit, and working in cooperation and collaboration, groups of local volunteer farmers plant, tend, and harvest a crop. Proceeds from the sale of the crop are then donated to the Foodgrains Bank, which supports the organization's work to end hunger around the world. Last year,

116 growing projects in Ontario contributed \$1.6 million to the work of ending global hunger through the Foodgrains Bank.


STEPHEN MACNEIL, an associate professor of chemistry and biochemistry at Wilfrid Laurier University, is one of five professors across the country to be honoured with a 2018 D2L Innovation Award in Teaching and Learning. The award is presented by the Society for Teaching and Learning in Higher Education and D2L, the creators of the Brightspace online learning management system. It honours postsecondary educators who demonstrate innovation in their teaching practices.

AN EXCITING ADVENTURE IS UP AND DIGGING AT BINGEMANS – a new outdoor construction-themed amusement zone opened in June. Powered by Diggerland, the Excavation Station at FunworX features uniquely modified machines that adults and children of all ages are able to ride and operate. "These machines are the first of their kind in Ontario," says Mark Bingeman, President of Bingemans. "Children will be able to safely explore real construction equipment that has been adapted and custom tailored for their size."

Excavation Station is equipped with three imaginative machines: Shape Challenge, Maze Challenge and Bowling Challenge. Attractions within Excavation Station are supplied by Diggerland, an organization providing construction-themed adventure parks to global visitors. All Diggerland equipment undergoes advanced engineering to ensure safe and accessible public use.

IN JUNE, THE GUELPH CHAMBER OF COMMERCE JOINED LEADERS in business, government and community to celebrate the achievements of outstanding local businesses, organizations and individuals at the 2018 Guelph Awards of Excellence Gala. Robin-Lee Norris, an accomplished business and community leader, received the Lifetime Achievement Award from the Guelph Chamber of Commerce at this gala event.

"Robin-Lee Norris epitomizes a lifelong commitment to business and community, having played the role of successful business lawyer, influential community builder and inspiring leader," says Kithio Mwanza, President & CEO of the Guelph Chamber of Commerce. "Over her celebrated career, Robin-Lee has worked with a vast array of leading local companies and community organizations – successfully helping them grow and flourish. She embodies so many great professional and personal attributes, that have contributed to Guelph being a leading community in Canada." X



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(continued from page 22)

to cars – ultimately that was the second feature of it – but originally the LRT was the tool to create the intensification and stop the rural sprawl.

When I look back on my time here, the more long-lasting thing is that we have put in place a plan that solidified our intent not to have rural sprawl but to have intensification, to preserve farmland, to preserve the quality of life in the region.

I was only the front man for a lot of good people doing a lot of good things. I have had two of the best municipal CAOs in Ontario in Gerry Thompson and Mike Murray, beside me all the way. Commissioners, and a lot of staff who were very good, very creative.

I also had a number of really strong, committed councillors. Particularly after we separated the councils and had

“We have put in place a plan that solidified our intent not to have rural sprawl but to have intensification, to preserve farmland, to preserve the quality of life in the region.”

separated councillors. This wasn't me doing it, it was them. I spent my time making sure people were on side, moving together and moving along. So I'm really reluctant to take a lot of credit for a lot of this stuff. It's really a team effort, and, I have to say, it was the community open to this sort of thing.

People in this region, by and large, although they may attach to their area municipality or their specific village, still have a sense of what the larger community is, and what the implications of doing things are, on a region-wide basis. I don't think it's like the larger GTA communities, where it's very focused on the given community.

I think that whole idea of community support of what we're doing is very strong here. I guess it's the right time, right place, right people, all together, that have made this work.

We are particularly blessed with a lot of grass roots strength in the community. What we tried to do over the years is facilitate grass roots people doing things, working with partnerships or funding or general encouragement. Times are getting tougher as some of the sources of funding in the community are getting tighter and tighter. But I think that's one of the strengths of this community is that we can still do those sorts of things.

On the social services side, we have maintained that sense of stewardship that exists in this community. Our approach to supportive housing, affordable housing, has been, “Tell us what you need to do it. We'll take some federal money, we'll take some provincial money, we'll take some of our money. You raise some money, you find the land, you manage the project.”

I think other than Toronto, nobody has built more than we have since that transfer took place. Is it enough? No, never enough. But at least it's got community involvement, community support. Our program of leveraging the money and

working with community groups has been most productive. I'm pretty proud of that.

On economic development, we've come around, a few years ago, to overcome the parochialism in our community to the best of our ability.

I think the most recent iteration is even stronger. Pulling the economic development work together within the corporation is

the best we can do given the current governance structure that we have. I think it has been quite successful and there has really been a shift over the last few years of great cooperation. I think the area municipalities recognize the need to have a better unified face out there in the community.

We just renewed the agreement with the Economic Development Corporation for another term, and I think there is a great deal of good work going on there.

Exchange: Are any of your accomplishments at risk after you leave?

Seiling: I am confident that the land use plan will remain strong. So as long as we have good people who understand the process here, I have confidence that will work. We have strong staff here. I have to say that whether I stayed another term, I can't guarantee what comes after me – no politician can. [But] I have confidence in the people of the region, that they will stand up for the things that are important to them.

I leave the Region feeling very good about where it's at. Is there more we could be doing on housing, child care? Yes. Would I like to see more passenger flights out of the airport? Yes. But it's a very fluid situation out there with all airports. We would like to see more activity out there. People get angry with government when things don't go the right way, but they also say ‘Run it like a business,’ and businesses take risks. Sometimes they work out the way you want, sometimes they take longer to come out.

Exchange: What have you enjoyed the most?

Seiling: Over the years you get to know a lot of people and a lot of organizations, and I think that my validation is coming from being out with people who encourage you to do things, appreciate you being there, like what's going on, and don't mind telling you from time to time that they don't like what's going on. That's one of the reasons I go to so many things. To get a sense of where people are at.

So I would have to say the public contacts have been the best part of the job for me.



Ken Seiling, already a three-decade political veteran, on the cover of *Exchange* in 2006.



"One thing I don't like about the job is when people have problems, and you can't help them" - Ken Seiling.

I've had good councils, great councils to work with. I've had issues from time to time with the odd one or two or three, but by and large they've really worked together.

Exchange: What have you enjoyed the least?

Seiling: Opening up my email in the morning to see what crisis I am going to face today. I drag my feet opening up the email.

One thing I don't like about the job is when people have problems, and you can't help them. Quite often you see a situation that's not very good, but you're incapable of dealing with it, providing something to them.

That's the most frustrating thing, when you'd like to be able to help somebody and there's absolutely no way of helping them.

Exchange: Why are you leaving now?

Seiling: I'm not sure why I am leaving at this point. I'm going to be 71. You sort of have this discussion with yourself... how long is too long? I hear some people say, "Get out of here because you've been here too long." I hear others say, "Stay, because it's a steady force."

I just decided that the time had come. Thirty-three years. There were at least one or two people I felt confident in to run and do a good job. I wouldn't leave if I didn't feel there was potential for someone to do it and do it well.

I decided that forty years in total, here, was probably enough. My good friends in the field always say it's better to leave at the top of your game.

Exchange: The Region includes five federal ridings and five provincial ridings. How big is the job, as Regional Chair?

Seiling: It is a bigger job than most people imagine. Especially after the turn of the century, when we had a change of

roles. We got transit, we got waste management, the province downloaded housing... the management of child care, provincial assessment, roads, so our share of the tax levy went from 25% to 50%, and our roles changes quite substantially. I think the juxtaposition of the region to the area municipalities changed at that time, too.

At the regional level, governance – although there is a lot of detail stuff – tends to be more at the policy, philosophical level, particularly in health and social services. You're not dealing with zone changes and property compliance standards, all those sorts of things that the local councillors deal with.

More often than not, the role of the Chair in a two-tier system is to help drive the vehicle, balancing the interests of the region with the area municipalities, then balancing the interests of the region with the province.

There is an awful lot of work done between the province and the region, which isn't always seen. I spend a fair bit of time on government relations with Toronto.

It's a big budget. With police, we're over 4,000 employees. A big operation. But I think it's manageable. One of the things with being a large government is, we can afford and we attract very professional staff.

It's an organization that's very responsive, and yet it's very rooted, because all of the staff people, they're all within the community, they know what's going on, they have a sense of it. And the council's pretty attuned to local issues.

At the same time, one of the best things that ever happened was getting rid of the double councillors who sat at both levels. Because this body has to make decisions for the good of the whole, not based on parochial concerns. We still have the mayors [serving at both levels], and from time to time we see a bit of parochialism, but by and large not much.

Exchange: Are there things that remain to be done?

Seiling: No, I think things are pretty much in place. We're in a good place, right now.

We obviously have a problem with drugs and opioids, which we share with everybody across the country, and we need to deal with that over the next few months.

I won't be in office for the opening day of the ION, which is a little bit like Moses – 40 years in the wilderness, but I can't cross into the promised land. It is a disappointment, but the system is for the good of the community, not for me. I'm just happy to see it up and running and I've told them I hope they invite me.

Exchange: Have you seen a change in the kind of people who will run for office?

Seiling: At the municipal level, yes there has been a change over the years. When I first became involved in politics, we'd have business people, lawyers, professional people would be involved. I don't see that very much any more; we see fewer professional people and more of a broader cross-section, so perhaps that's good.

We're in a period when there's more coverage. Everything you do is under the microscope. Social media is making it

even more difficult. From time to time I look at people's Facebook postings and I think public life is becoming much more vicious, and people don't want to expose themselves to that.

I think we're entering into a new era of politics. One of the questions I raised to myself is, "I don't think I can keep up with the technology necessary to be a politician these days! Do I want to sit on Twitter and self-promote on Twitter or Facebook?" That's not me.

Look at campaigning – I did use Twitter in the campaign last time because somebody came on board and said, "You have to have a Twitter account," and my daughter said, "You have to have a Facebook page for the campaign," so she created a Facebook page for me.

But to run a modern campaign, you have to be on top of that stuff all the time, and I think the ability of people to do things, not to your face, is problematic. I can't change it, that's the way things are going.

I have a growing concern that people by and large accept stuff that should never be accepted. They hear the gossip, they share the gossip. Donald Trump can lie 3,000 times in a year and it doesn't budge 40% of the American population.

I think people staying in politics have to cope with a lot more challenges, how to get the message out to people. That's why I think that personal appearances and personal involvement are so important, especially on the municipal side. If all you're getting is social media, then you're getting a perception, but if you see the person, you know them differently. I think for the person who holds this job, getting out is critically important, because they have to be seen by the community. I do 400 or 500 events a year.

Exchange: What advice would you offer to your successor?

Seiling: Be highly visible in the community. Be out there.

Know on the first day what your principles are. There are all sorts of grey areas where you can compromise, but if you know what your solid principles are then you are in good shape.

One of my rules was that I never did business lunches. If anyone wanted to talk, meetings were always held in my office, and often with a third party present.

Precedents do matter. If you bend to do a one-off for somebody, everyone else is going to expect a one-off. So you either move so you can treat everybody equally,

or you hold your ground and say "I can't do it if I can't do it for everybody." And I've stuck by that through the years, much to the unhappiness of some friends.

If you have those sorts of guidelines, it doesn't necessarily make the job easier, but at least you can live with yourself at the end of the day.

Exchange: You seem to have made surprisingly few enemies, considering you have been in politics for four decades.

Seiling: I always used to tell people, you have to cross the bridge twice, so don't burn it the first time you cross it. **X**

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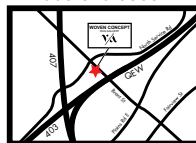
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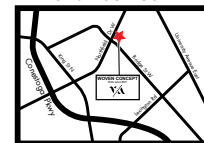
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ONLY THE FRONT MAN

Regional Chair Ken Seiling opens up about 33 years leading the Region of Waterloo

BY PAUL KNOWLES

Ken Seiling

Ken Seiling has been a Waterloo Regional Councillor longer than more than half of the residents of the Region have been alive. He's been on Council for 40 years – the last 33 as Chair – while the median age of the region's population is about 38.

That means that when a new regional council takes office in November of this year – the election is on October 22 – Seiling will be setting out into uncharted territory, because for the first time in four decades, he's not running for elected office.

He announced his retirement on May 9; he met with Exchange Magazine editor Paul Knowles and publisher Jon Rohr for an exclusive interview in the following week.

Seiling first came to Regional Council in 1978, as Mayor of Woolwich Township. (He had served as a Woolwich councillor for two years prior to that). Thirty-three years ago, in 1985, he was elected Chair, by a vote of Regional Council. In 1997, the office of Regional Chair became subject to a public vote across Waterloo Region, and Seiling accomplished the remarkable feat of winning that election – and continuing to be reelected, every time he ran.

This article is an edited version of Exchange's interview with Seiling. For the full text of the interview, see www.exchangemagazine.com/currentissue/.

Exchange: What are the accomplishments that you are most proud of?

Seiling: I really inherited a tradition, and I built on that tradition. I can't claim originality for a lot of this stuff. When

I came into politics, in the 1970s, I had the benefit of coming in at the tail end of the finalization of the Regional Plan. A long tradition of land-use planning, protecting rural lands, not wanting to see a lot of rural sprawl, this all sort of came together in the 1970s, so when I came on the scene, that was the framework in which we were working.

It became obvious to me that our regional plan was a pretty substantial piece of work. It was groundbreaking in terms of planning in Ontario, because it developed hard edges of development, what they called the urban envelopes. It had policies on protection of environmentally sensitive areas, trying to stop planning by assessment, which had been going on.

I can't claim originality for that, but it was something that I built upon.

In 2000 I reported to council and said, "We're pushing on the existing envelopes in the plan, particularly in Waterloo. What are we going to do? We don't want to flop out over the lines. How are we going to manage that growth?"

That was the beginning of the growth management strategy. It was premised on the idea that we weren't going to do further expansions. In fact, in some cases, we were going to pull the lines in a little more to stop that from happening.

I was particularly proud that the province looked at what we were doing and said, 'We think you're doing great.' The Places to Grow legislation was premised on what we had done here in the Region.

Out of that whole thing then came the LRT. Because if you are going to do that kind of intensification, you need to have a tool to help intensification along. It wasn't an alternative

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