

BRIAN TIESZEN SUN RICH FOODS

Interviewed by Joshua Jansen Van Doorn

19

"When I think about building a sustainable business or venture there are no shortcuts or cheats. You must decide what you as a businessperson are going to stand for, what you want your character to be, and what you want your reputation to be. Follow that path rigorously: do not give into the temptation of compromising what is good, right, and honorable to achieve short term gains. Stay the course, be true to your Christian beliefs and honor God in what you do."

Brian Tieszen

GENERAL ENTREPRENEUR QUESTIONS

 When did you start your first entrepreneurial venture and what was it?

When I was a kid, I was doing entrepreneurial type of things, such as mowing lawns, shoveling snow, that kind of thing. I tried automotive detailing when I was 16; I've always had entrepreneurial approaches and an entrepreneurial attitude. For me the business that took hold and that has grown to become my primary business is Sun Rich Fresh Foods; I started that in 1988.

2. What motivated you to become an entrepreneur?

I like pursuing my ideas and dreams; I like the idea of doing things my way, and also I think that working for other companies, which I did for 10 years before starting my own business, has a certain level of insecurity. I felt that at any give time I could lose my job for obscure reasons that I had no control

over and funny as it may be, I felt and feel more secure in my own business even though there are significant risks in my own business.

3. Was there any one person who was a model of inspiration for you and in what way?

There were three people. First, there was Peter Whittall, my former employer at Neptune Food Services. I worked at Neptune from 1981-1985. He was a model of hard work, a simple approach to business, and he was very persistent through some challenging times. From a personal point of view, he took an interest in his people and tried to stay in touch with people in his company. Peter also made an extremely generous and personal decision that helped me survive in my own business venture several years later.

Second, there was Ed Rempel. He's one of the past owners of Rempel Bros. Concrete. I had an unfortunate turn of circumstances in my life where I lost a job 6 days before my wedding day. I had moved from Vancouver to Abbotsford for a job that was located in Chilliwack. Once married I had to make the decision whether to stay in Abbotsford where the cost of living was cheaper or move back to Vancouver. I decided to stay in Abbotsford and the only place I could find work was Rempel Bros. Concrete. I only worked there for a year but at that time I got an opportunity to meet Ed Rempel. He is a great example of a Christian entrepreneur. He is successful in business but he is also interested personally in the lives of others and I think he is a good model of a balanced businessperson.

I think the third person would be Arthur Block¹. I was a year into the start of Sun Rich going through some terrible challenges with lots of financial losses. The church I was attending at the time was Fraserview MB and Arthur was a member there. Arthur took a sincere interest in my business and took time with

me to help me through the problems and reminded me of the need to stay balanced. He modeled balance in his own life and although he has been very successful he has never risen above his friends and family and has always had time to assist others in their business endeavors.

When I look back on the three guys that I mentioned, they are all super successful from a monetary perspective but in all three cases they keep themselves grounded and in touch and continue to contribute to the lives of others. Each one of them in their own way influenced and encouraged me through my business development.

 Was your educational experience (to whatever extent) helpful? If so, in which way?

This will be a very short answer. I struck a deal with my grade twelve counselor that I would not apply to a college or university and he agreed to graduate me. I have a high school diploma.

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

I have started Sun Rich Fresh Foods and Cypress Bay Ventures.

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

Both ventures have been successful.

ENTREPRENEURIAL QUESTIONS REGARDING YOUR SPECIFIC BUSINESS

7. How did you identify the opportunity that led to the setting up of the business?

For the majority of my working-for-others life I was in the produce business and in the mid 1980s there was a developing

See Interview with Arthur Block in The Christian Entrepreneur (Vol. I).

category in produce with value added ready to serve salads. As an example: salad can be purchased ready to eat rather than buying a head of lettuce and the other ingredients and doing it yourself. As I watched this category develop I knew that they same was going to happen with fruit. Consumers were going to continue demanding and expecting their fruits and vegetables prepared for them. So in hindsight, I watched the vegetable business evolve and then tried the same value adding on fruit.

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

I had to think about things like where I would source the fruit, that I felt were the right ingredients that could be sourced twelve months of the year, what countries had the fruit that was required, what food service operators (customers) would pay a premium for my products. Also, if the business venture took off, I was going to need a lot of labor to do the process and how would I hire, train and retain the volume of labor that was required to be successful. In a nutshell, it was the raw material, the customers and the labor. It was an emerging market; there were competitors but the opportunity was far greater than what the competitors could serve so there was room for a new entrance into the marketplace. Not that the competition isn't a critical focus of our business on a daily basis, but at the time there was more opportunities that were not being served by competitors.

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

It took a year and a half. I did a business plan for the gentleman who was my employer at the time and that took about ten months to develop. I then presented the plan; however, he was not interested in pursuing it. I spent the next 8 months figuring out how to do it on my own.

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

I had a partner for 6 months, but I misread this individual's capability in a significant way and at the 6-month mark I bought him out.

11. Did you have a business plan of any kind?

I worked for a year on the plan; it dealt with sourcing product, technology, the marketplace, consumption, price points, distribution channels, financing, and breakeven points. I would have to say in retrospect that reality and the plan were not even distant cousins. The plan was logical, balanced and did not reflect the overwhelming amount of variables and uncontrollables of starting up a new business. An argument could be made that when you start a new business venture a survival guide is as important as a business plan. No matter how thoroughly you think through worst case scenarios when you get out in the real marketplace and the tides shift and the wind blows you've got to react and that business plan just seems to get more irrelevant and less connected to the realities of what's transpiring and what's evolving in your business life. That's why I say a survival plan is equally important as a business plan. Not that you shouldn't do business plans but I think what separates an entrepreneur from a professional business person is that an entrepreneur knows how to be creative through the challenges of the day to arrive at a profitable result. He knows when the business plan can bring value and when intuition may be the right approach. Many entrepreneurs don't or haven't, or possibly can't write a business plan. You can take an MBA, a CGA, an educated business person who can right a business plan all day long and can follow it to the T and perhaps follow it off of a cliff, or follow it to the moon if all goes well, but what an entrepreneur has is instinct, intuition, street knowledge and often that allows them to take a different approach, what is sometimes seen as an

unorthodox approach in business, but that is what in my mind separates an entrepreneur from a more professional educated business person.

12. What kind of financing did you have?

I had a personal loan for \$50,000. I had a bank line of credit for \$35,000 and the collateral on my home.

13. How much capital did it take?

It's not a very capital-intensive business. Total start up costs equaled about \$100,000.

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

It took 24 months - probably the most challenging two years of my life and the prognosis from the professional accountants through the whole time was that the business had no hope, and that the business model did not make sense. I, on the other hand, being the eternal optimist, knew that it was just a matter of making some changes on the fly to my pricing model and my costing model, trying to reduce the number of bad product claims I had out there and eventually it got to a place of positive cash flow and profitability.

15. 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?

I extended my line of credit: I had a \$35,000 line of credit and there was a challenging moment where I realized that wasn't satisfactory and I had to increase it to \$60,000. My current bank wouldn't do it so I had to switch banks in order that I could extend it. I also managed my receivables very aggressively. I would try to pick up a cheque when I made deliveries every single day. I couldn't always get that done, but when I couldn't get it done the same day I would be calling the next day to get

The Christian Entrepreneur Insights from the Marketplace

a check. I pushed my payables with my suppliers to a very inappropriate level on a number of occasions. I was never proud of those moments when I had to push my suppliers out, especially speaking out of both sides of my mouth. When I supplied to somebody else I wanted my money the same day and yet when somebody supplied me, I was pushing him or her out sometimes beyond 45 days. I went to my landlord 3 or 4 times and asked for a postponement of a month's rent. He was very supportive of it and helped me out 3 or 4 times.

I guess the most outstanding thing that ever happened that I recall was getting an order from Neptune foods for \$4,800 on a Tuesday and it was to be delivered on the following Monday. I knew when I took that order that I couldn't make payroll the coming Friday and I knew that if I couldn't make it staff would probably walk and I could not fulfill Neptune's order. So I remember a sleepless night that Tuesday wondering how I was going to get through this. I couldn't get anymore money from the bank and there was no other solution to satisfy this problem that I had. I remember the Wednesday morning phoning Peter Whittall at Neptune and asking if I could meet with him. So, just before lunch I met with him for about 15 minutes and I asked him directly: I said your company's placed an order with me for \$4,800 and I can't make payroll on Friday and I have a concern that I may not be able to deliver your product on Monday. He said 'What are you asking for?' and I said that I was wondering if there is any way he would pay in advance for some or all of this invoice to help get me through. Neptune was probably a \$250 million per year business at that time with systems and protocols in place for payables. Anyways, he picked up the phone in his office and he phoned his Accounts Payable department and within about 7 minutes one of his Accounts Payable guys walked into his office and handed me a cheque dated that day for \$4,800. So that was a pretty powerful and memorable event and that is why Peter is a particularly strong model for me. So those were some very creative ways of getting through some of my difficult cash flow times.

16. What did you perceive to be the strengths of your venture?

I guess the biggest strength would have been my customer relations. I knew the majority of the food service operators in Vancouver from my years selling to them, so I was able to get a lot of information from them in building my business plan. Through that I had pretty good assurances of who was going to buy my products when I launched the business. The other strength was the category itself; it was very hot at the time. People were looking for fresh, healthy, good-for-you food that was ready to serve, so I was bringing a product to market at a time when the market was in high demand.

17. What did you perceive to be the weaknesses of your venture?

The weakness would have to be that I was undercapitalized. It seemed that for the first 24 months I was constantly back to the wall over the finances, and I would caution any new entrepreneur to have their capital and their financial resources organized because for me it was not well organized. Also, another weakness was that my technology for product preservation was not perfected, which was why my partner and I came apart. That resulted in a high percentage of product returns, which became pretty damaging on the company reputation.

18. What was your most triumphant moment?

In my mind that is very relative to the time and the season. Month 25, when we finally started making money, was pretty triumphant. Getting a new customer in the first couple years was pretty triumphant. Paying off a debt was pretty triumphant. I would say in more recent years, we were recognized by the largest food service distributor in North America as one of their top 100 vendors. They deal with probably 5,000 vendors and we were selected number 47, so that was pretty powerful.

19. What was your worst moment?

In 2000 I opened a facility in Florida when I bought a technology prototype company. We had been looking at setting something up in the southeast because it was the last remaining corner of the continent for us to have a presence. There was this prototype facility and a technology that was supposed to peel oranges and grapefruits. It was struggling, there were 50 employees there that had lost their confidence in the business. I had bought the business and then met personally with all 50 of the employees and convinced them that there was a new day dawning and that everything was going to turn around and everything was going to be cool. Well, 8 months later, things were not quite as cool as I hoped they were going to be; the company had continued to lose money, I had made little strides improving the business in 8 months, it was losing \$40,000-\$50,000 a month. After 8 months, I had to meet with them and tell them that it was over, they were all losing their jobs and the business was being shutdown. That would be my least triumphant moment.

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

All of the raw materials that I use are agricultural products so I'm constantly sourcing fruit from around North America, South America, and Central America, and every couple years there is a growing issue that hits a particular region and then decimates a crop. I've had years where the orange crops were knocked out because of a freeze and all of a sudden I can't get them or if I can get them, they are ten times the original cost. In the last 5 years it seems that every second year the hurricanes wipe out the grapefruit crops in Florida and my costs go sky high or I cannot get supply. We've had insects in pineapple crops that will take 80% of the crop out. One of the reoccurring unpredictable, unmanageable challenges of my business is crop failure. Also, Sun Rich has had pretty dramatic growth over the past 18 years. It's always easy to grow 50-70% in the early days when you're talking about \$1,000, becoming \$4,000 becoming \$10,000 but I would say that in the last 8 years that the business has been more mature. We've grown at 20% on the top line most years

except for one and that creates huge challenges around finding enough people and the right people to manage the growth. I'm very dedicated to getting the best people on the bus and doing everything possible to retain them and grow them. It is very difficult to balance the two: the growth of the business and getting the right people in the right places. When it does work - when you get the growth and are able to get the right people - it's a beautiful thing.

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

An entrepreneurial spirit, those that work well with others, team players, I look for honesty, good communication skills, and a competitive/ winning desire. I would say that those are the character pieces that I look for in a person, then after that I would look for intelligence, a particular skill or attribute that was not already found in the team, and then also the level of trustworthiness in the individual. We tend to invest a lot of time in the interviewing and reference checking part of our hiring process. The hiring piece is critical to the success of the company. When I look back the folks that are no longer with Sun Rich, they are often the ones that we rushed through the due diligence on. We took some shortcuts somewhere and we did not do our job properly in selecting the best possible candidate for the job. Just to bring this to light, we recently postponed a hiring; we've been looking for 6 months for a North American national accounts manager. We found four candidates and out of the four my VP of Sales recommended the one that he thought was the best, but at the end of the process of this person interviewing with a few other members of the executive team we all questioned the degree of 'good.' This was the best person out of the four and that's not good enough. We have got to make sure that we are always hiring the best person for the job and yes, we had invested four months in narrowing down to these four candidates and selecting the one out of the four that was the best, but regardless of that if we do not have the very best candidate

The Christian Entrepreneur Insights from the Marketplace

340

we keep investing time and energy into searching for the very best candidate.

Finding experienced people for this type of business is challenging because this is a niche business, and it's an emerging industry and category. There are no other companies out there that have done this on a grander scale than we have that I could draw experienced people from. I can find people that are experienced in certain disciplines of business but with the value added fruit processing business I can't go and hire that experience. We try to blend promotion from within as well as bringing in new blood from outside the company. With regards to bringing people from outside the company, we've had good experiences with college/university grads and people that have been in the general food industry for a period of time. I believe that the more effort that is put into the hiring process, the better the return the company gets from that individual.

REFLECTIVE QUESTIONS

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

Seeing that my ideas work! I was inspired to get into business because I felt I had some ideas that should be tried that I was confident would be money makers. That whole thing is not really rewarding or gratifying until you get to a place of saying yeah, this does actually work. I think also watching people in the company that I respect and appreciate, watching them grow professionally and personally. Thirdly, being able to give back to the church and the community has also been rewarding.

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

First, whatever ideas you've got, test those ideas, and/or your

business plan with others who have wisdom and insight - people who can help. Let them ask you the tough questions that challenge your thinking. Secondly, thoroughly research your marketplace and customers, research your suppliers and their dependability, and make sure that between your suppliers and your customers there is room for you to make a living. Third, without losing an appropriate level of balance in your life, pour your heart and soul into the business. Your conviction and passion for the business will inspire those around you to get behind the business and push.

FAITH AND THE MARKETPLACE

24. What does the term "calling" mean to you?

I can't wrap my head around the notion of a calling. You most commonly hear the term calling in terms of ministry, and if I put myself in the shoes of someone who is called to full-time ministry I think I could probably understand it a little bit better. I believe that I have been given certain circumstances and opportunities in life and as I pursue those, I will pray for doors to be opened or closed as the Lord leads. So, I don't so much feel called as I do feel blessed (or affirmed) in what I am doing.

25. Do you feel that you were "called" to entrepreneurship? If so, what does that mean to you?

I can't say that I was called to this business. I can say that as I've developed my career I've felt led in certain directions. I've seen doors opened; I've seen doors shut. I can say that some things I've done have been blessed, and others not so much. And so I think I allow myself to be led and guided in certain directions based on doors that are opening and doors that are closing, things that are working and things that are not working. I believe that we are all given desires of our hearts or dreams that we want to pursue. If they are good and can be honoring to God and my motives are right, God can bless those pursuits. He's

The Christian Entrepreneur Insights from the Marketplace

342

pleased with your choices; he's honoring your desires and he's blessing the activities. Do I feel the same way when business is not going well? That's very challenging. That's when I can start doubting whether I am doing what God wants of me.

In 2003, I had the worst year of my business career: the Canadian dollar was rising, workers compensation costs in California were rising, and I think we had two crop failures that year. We lost a lot of money that one year and I guess based on what I just suggested is how I feel led or blessed in my business what was God trying to tell me in that year that I was losing money. Was He saying, 'I'm not blessing your business anymore, its time for you to get out; you're not doing what I want you to be doing' or is He simply saying that there are lessons for me to learn in terms of trusting Him and knowing that He still has His hand in this business and that He is still pleased with what I are doing? Is it an opportunity for me to make sure that my motives is not all about a successful profitable business, or are they about keeping my relationship alive and vibrant with Christ? And I think during that year I ended up on my knees more than ever before saying, 'Lord what is it that I need to be learning here during this season?' Ironically the next year was one of the best years that we've ever had. I think that's the Lord saying 'I'm blessing you in what you're doing but that doesn't always mean that I'm going to give you a healthy bottom line; it means that I'm always going to look after you personally.'

26. Who, if any one, affirmed that calling?

N/A

27. What do you believe your gifts are as an entrepreneur?

N/A

28. How did you (or do you) integrate your business expertise with your Christian calling (and how are they complementary)? It's all about integration. In my mind there should not be separation. Whether it is by taking business competencies into a church board function, a Christian School development project or a ministry to the youth of Vancouver, or on the other hand, if I'm taking my Christian beliefs and values into the business world I try not to have any separation because there's got to be congruency in Brian as a Christian, and in doing business.

29. How have you been involved in your local church (that you now attend and the ones you have attended in the past)?

I have been involved with Church boards, youth leader for a number of years, Christian school board and para-church boards.

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

N/A

344

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

I spent several years on the Youth for Christ board. I continue to have a keen interest in ministries that reach out to the youth and help them get through the challenges of this world that we live in

32. What are some examples of how you have integrated Biblical principles into your business practices and thus acted differently than a non-Christian due to your Christian faith?

Where I believe I demonstrate my Christian faith in my business would be around how people are treated. One of the four cornerstone values at Sun Rich is 'Service to All People.' This value speaks to an attitude of respect, grace, honour, honesty and caring for one another. In our organization that is something I would like our people to recognize is important for us to be achieving, with customers, with suppliers, and with anyone who

The Christian Entrepreneur Insights from the Marketplace

comes into contact with our business. For me, the 'service to all people value' at Sun Rich has a very pure connection to Christ's time on earth when he served the needs of mankind here on earth and so I try to deal with people in a spirit of how Christ would deal with them. And I think that's the biggest piece of my integration of faith. A secondary note, I am also a fairly upbeat, joyful person and in spite of the emotional rollercoaster that comes with the territory of being in business I try to demonstrate that my joy and happiness in life comes from another source far greater than a business venture. I do not have any Christians on my Executive Team; however, I believe that everybody understands and has good alignment with the company values. I do not believe that honesty, respect for people, caring for others is exclusive to a Christian. My C.F.O. comes from a Jewish faith and his beliefs on how to treat mankind and how to treat other people are similar to mine, and yet his doesn't come from a Christian perspective or belief. I would never shy away from putting a Christian on my executive team, it just so happens that in my quest to hire the best people, none have hit the mark. I think that I have an opportunity with my staff to demonstrate my joy for life and my hope for the future in such a way that will cause them to want to seek Christ in their spiritual journey.

33. What are the lessons you have learned that you believe are important for Christians pursuing entrepreneurship?

I was sitting watching my son Jordan play a computer game the other day and part way through this game he does a 'Control Alt' function on the computer keyboard and I asked what he was doing and he said that he was bringing up the cheats. I asked him what he meant and he said that there were shortcuts that you can bring up that allow you to beat the game. I asked if the developers build that right into the game and he said 'yeah, almost all the games have these shortcuts or these cheats.' So I started thinking ok, first of all whom are you fooling by doing that, and secondly, how different is that to business? I'm sure there are lots of shortcuts or cheats to making money, but when I think about building a sustainable business or venture

there are no shortcuts or cheats. You must decide what you as a businessperson are going to stand for, what you want your character to be, and what you want your reputation to be. Follow that path rigorously: do not give into the temptation of compromising what is good, right, and honorable to achieve short term gains. Stay the course, be true to your Christian beliefs and honor God in what you do.

As I thought about it, this seems to be connecting to the earlier question of calling. We've all been put on this earth for a purpose: we're expected to be salt and light in this world. Whether I'm a Telus worker, or a swim team coach at a school, or an entrepreneur, as long as I'm a Christian I need to be living a fully integrated life. If you believe that you can be an entrepreneur and want to step out and take the adventure, ground your planning, your thinking and your motives in Christ. Ask yourself what is the most important thing? Is it the business or is it Christ? If it's Christ, and you're wired to be an entrepreneur, then build a business that honors Christ. For me the most important thing is Christ in my life, everything else flows out of that.

34. How could the church in a general sense support you as an entrepreneur in pursuing your calling in business?

I don't see any difference for how a church congregation could or should treat an entrepreneur different from a homemaker, or a bus driver, or a doctor. I think as a church family or as a congregation we should have the same approach to others that a biological family would have regardless of who my son is and what he does or who my daughter is and what she does. The Church should be trying to meet one another's needs and serve one another regardless of their occupation.

35. What have been the biggest challenges for you as a Christian in business?

The Christian Entrepreneur Insights from the Marketplace

Three years ago, the partner that I had in the first six months

of business resurfaced and brought a legal action against me. I had not seen or heard from this individual for sixteen years. It took two and a half years of legal process, much of which was personal discoveries of me. The way that the case was brought was an attack on my character, my motives, and my honour, everything that I believe is important in terms of establishing who I am as a Christian business person. Obviously it felt very personnel. And all of a sudden through this two and a half year process I was being represented in the most opposing light of what I was trying to establish. It really got me thinking, 'Brian, how far off the mark are you really?' As I searched for understanding through prayer, I prayed that I would learn something about myself and that the outcome of this situation would be a fair and equitable outcome. To this day I still cannot see how the outcome was fair and equitable. It was a huge financial amount that had very threatening implications to the business. And so I spent a number of days and weeks and even months saying, 'God, I don't understand this; I've worked hard to establish what I think is a Christ-like approach to my business. Sixteen years later out of the blue comes this character attack and character assassination that causes me to feel that You do not want me to vigorously defend but You want me to learn from it and understand more about myself and You also want me to trust you for a fairly reasonable outcome and then the outcome is of this magnitude.' So, I struggled for a number of months and never really lost faith but just questioned 'What's this all about Lord?' For me the answer came in the next year of business: the following year was the best year I've ever had in business. So the Lord took me through a valley, shook me up real good, and then demonstrated in the next year that He has the business in control and He is looking after things. So, the biggest challenge has been to maintain my trust in God through those valleys.

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

My three closest friends are pretty strong Christians and are all in business and that is the group I would go to for prayer, their perspective, their wisdom, and their help. You hang up the phone or leave the coffee shop and the reality is you are still on your own to make your own decisions and discern the Lords leading in your life. But I feel fortunate that I have a good group of Christian buddies that have Biblical perspectives' to business challenges and problems of life issues in general. Ironically though, none of those friends are in my church or in my denomination. Many of the questions that you've been asking have been about the church specifically. I'm not sure I see the church as just the brick building on the corner of two streets. I see the church as the community of Christian believers and so it's not denominationally bound and it's not bricks and mortar; it's Christians in the marketplace that have a level of Christian maturity where they can bring insight, values, and perspectives.

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

Not as an employee. If somebody from the church applied for a position and was qualified, I would hire them in a minute, but I do not have a process that takes me into the church specifically to recruit.

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

The only thing that comes to mind is that back in 1992 I built a factory in Richmond and the guy that built it for me was in our church. We had spent a few months working together on the church board, but I don't think we would consider one another friends. As it turned out the project was a success and this individual, Peter, and I have developed a friendship out of our business connection.

39. 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?

348

The Christian Entrepreneur Insights from the Marketplace

It has been a very positive experience; Peter and I have just started working on another project together.