



TEL/DON INTERNATIONAL
teldon international

12. Volker Wagner

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Established in 1969 in Vancouver, BC, Teldon's history is firmly rooted in the production of personalized promotional wall calendars. The calendars' design and quality redefined the industry standard, and was the keystone of Teldon's growth. Teldon later expanded its manufacturing capabilities, adding a commercial printing division and eventually a publishing division. Teldon now offers a range of services and expertise rarely available from a single provider. It continues to be a leader in communicating businesses' messages to the market. It includes Teldon Marketing, Teldon Print Media, and Teldon Publishing. (from www.teldon.com, modified)

Interview conducted on February 27, 2007
by Robert DuMerton and Jack Xu

BIOGRAPHICAL INFORMATION
biographical information

Volker Wagner

Position: CEO

Companies: Teldon International
Bulembu Ministries

Websites: www.teldon.com
www.bulembu.org

Locations: Richmond, BC
Swaziland

Type of Business: Printing/Marketing
Social Development

Number of Employees: 300 (Teldon)

Status: Private (Teldon)
Non-profit (Bulembu)

Years of involvement: Teldon 1980—2005 (active);
2005—present (shareholder)
Bulembu 2005—present

Approx. Annual Revenue: \$60 million (Teldon)

GENERAL QUESTIONS
general questions

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

I have had an interest in entrepreneurship since my early teen years, when I started collecting and trading German stamps. I ended up selling my stamp collection for a few thousand dollars.

In 1977 I started a parcel delivery service. After a short time, I purchased a delivery van on credit, hired a driver, and ran this business for two years while working as a full-time employee elsewhere.

In 1978, when I was 20, I purchased a Whistler property. Two friends of mine lent me money for part of the down-payment, and I borrowed the balance with a cash advance on my credit card. A year later I purchased an adjacent property. I managed to raise money for the down-payment by refinancing the first property and asking my brother's fiancée to carry the mortgage as a 50% partner.

I sold the two Whistler properties in 1980, when my dad's business, Teldon, encountered financial difficulties. I invested the profits from the sale of my Whistler properties in exchange for 29% of Teldon's shares. At the time, Teldon was a small company with approximately 15 full-time staff.

2. What motivated you to become an entrepreneur?

Making money—I was very focused on making money. I wanted to buy a Porsche 911, which I did at the age of 22.

3. Was anyone a model of inspiration for you, and if so, how?

No. My dad was not really an entrepreneur; he was a businessman who led large corporations in Germany. I followed him into business, but he was not a model for me.

4. Was your educational experience (to whatever extent) helpful?

No.

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

I started a few business ventures when I was young, but most of them served merely as stepping stones for other business opportunities. Thus, most of my time has been spent restructuring existing or acquired businesses that were struggling financially, in order to make them profitable.

6. How many of these business ventures were financially successful?

Most of my ventures have been financially successful, although there have been some challenges along the way. As I said earlier, many of them served as stepping stones for other ventures or opportunities. The only time I actually put a business into receivership was in 2004, in Australia.

Our family lived in Sydney from 2002-2004. During that time I bought five printing companies and consolidated the plants. After two years, however, the venture wasn't able to produce profits and it became a huge strain. I decided to put the company into receivership.

QUESTIONS ABOUT YOUR BUSINESS
questions about your business

7. How did you identify the opportunity that preceded setting up your business?

With Teldon, my dad ran into financial trouble and I was trying to help him

survive. More generally, I think identifying an opportunity depends mainly on imagination and a “hunter” instinct.

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

I didn’t really assess any critical elements, or evaluate the market. I made most of my business choices through instinct: I just took a risk and worked hard. I was young, so I didn’t have much to lose.

9. How much time elapsed between the day you saw the opportunity and your first day of business?

This question doesn’t apply to my involvement with Teldon, because the business had already started when I joined. In general, though, I allow three to six months for a business opportunity to get off the ground. If it takes longer, I tend to lose interest.

10. Did you have business partners? If so, who were they, and how did you find them?

My dad was a partner in Teldon. When I restructured and ran Rocky Mountain Bicycles, my partner was a friend from church who needed assistance. I also had business partners in Australia, but they were strangers.

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

Not when I was young. As I mentioned earlier, my method of pursuing opportunities was primarily instinctive. Today, on the other hand, I use very detailed business plans.

12. What type of financing did you have?

To finance my ventures, I used a car loan, credit cards, and loans from friends. Sometimes I also used money from the sale of a previous venture.

13. How much capital did your business require?

In Teldon’s case, it took \$35,000 to buy 29% of the shares in 1980.

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

The bank had called Teldon’s loan in the fall of 1980. It took one year to turn the business around and reach a positive cash-flow position.

15. If you did not have enough money at the start, or at low points in the business cycle, what did you do to stretch your capital?

We downsized. In 1980 we had to eliminate several overhead expenses at Teldon in order to survive. We moved out of our 8,000-square-foot facility, ran the office from my dad’s basement, and rented a small 1,000-square-foot warehouse.

At other times when the business needed capital and couldn’t get sufficient loans from the bank, we would try to raise the required funds personally. We leveraged our homes and cars to the maximum, and a few times we managed to get loans from friends and family.

There were a few instances when we needed to renegotiate payment terms with our suppliers, and one time I even took out a substantial cash advance on my credit cards in order to meet payroll demands.

16. What were the strengths of your venture?

In Teldon’s case, we create unique and popular products that we can easily replicate. One of our strongest products is the advertising calendar with a die-cut center. We also had the idea to start a BC calendar, then one for Alberta, and Saskatchewan—and eventually one for every province and territory in Canada. After that, we expanded into the US.

Another strength that helped us overcome the seasonal ebb and flow of business in our industry is a system that encourages pre-payment for our calendar orders. No one wants to receive their calendars in February; everybody wants them in October, November, and December. But with our system, we started offering discounts for early orders and payments. Now we receive \$7 million in

pre-payments, which largely offsets the first seven months of losses that we incur each year.

Yet another strength of our venture is the entry barrier for potential competitors. To duplicate our product breadth, customization, and personalization, and purchase the required machinery, competitors need substantial capital.

17. What were the weaknesses of your venture?

Seasonality has been a great weakness. We needed intelligent bankers to finance us, bankers who would not look at our business on a month-to-month basis, because the company loses money for the first seven months.

18. What was your most triumphant moment?

Surviving two years of soft receivership. During 1990 and 1991, the bank assigned an administrator to assess our company and leadership, to ensure that the bank would get its loans repaid. That was the first step toward bankruptcy, but we survived it. Today I am friends with the appointed administrator.

I have had a number of similar encounters in restructuring near-bankrupt businesses.

19. What was your worst moment?

1991 was a very hard year. While Teldon was in soft receivership, a key executive betrayed my trust. This situation drove me onto my knees before God.

On August 8th of that same year, my wife gave birth to twin daughters—and one week later, the manufacturer of our key printing equipment came with a court order to repossess the equipment. As you can imagine, that was a stressful time.

20. What were the most difficult gaps to fill (or problems to solve) as you began to grow your company?

One of my biggest problems was my own ambition: numerous times I tried to expand the company too fast. A second problem was finding the right people. I have gradually improved over time.

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

The first attribute I looked for is character. If someone's character is corrupt, it is not going to work out. The second is competence, and the third is compatibility—how well does the person fit with the organizational culture?

REFLECTIVE QUESTIONS

reflective questions

22. What have you found most personally rewarding and satisfying as an entrepreneur?

There are many personally rewarding aspects of entrepreneurship, like being constantly stretched, learning new things, and experiencing variety. I have had to overcome many obstacles and learn from them, which is also very rewarding.

Developing future leaders, intentionally creating succession plans, and developing a healthy community have all been satisfying projects.

Also, the financial freedom that came from being an entrepreneur allows me to spend time with my family and travel with them.

23. With respect to starting and running a business, what are the three most important lessons you've learned and hope to 'pass on'?

The three most important lessons I've learned and hope to 'pass on' are fairly basic. First, jump in the deep end, and don't over-assess it. Second, focus and work hard. Third, persevere when the journey gets rough, which it will.

24. What does the word “calling” mean to you?

To me, the word “calling” means to use, develop, and apply my God-given skills and passions. I believe God made me to be an entrepreneur, and I serve Him with my talents. At the same time, I am careful not to over-spiritualize my work.

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

I do not feel that God uniquely chose my path. Rather, God equipped me with entrepreneurial skills, so I want to do my best with what He has given me.

26. Who, if anyone, affirmed that calling?

Originally, no one.

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

My gifts are leadership, giving, and discernment.

28. How do you integrate your business expertise with your Christian faith, and how are they complementary?

I live an integrated faith: my Sunday faith is the same as my Monday faith. It is important for Christian entrepreneurs to walk the talk. My entrepreneurial experience has brought me to where I am today, leading a non-government organization focusing on economic and community development work in Africa (Bulembu Ministries, www.bulembu.org; see response to Question #31 below).

29. How have you been involved in your local church?

I have been a deacon, and I am currently leading a building committee. My business expertise has helped me in some roles more than others. Leadership

always comes into play.

30. Have you been involved with your church denomination?

No. I attend a non-denominational church.

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

In 2005 I did a six-month stint with Campus Crusade for Christ.

Now, however, I am focusing all my energy and resources on a massive undertaking in Bulembu, Swaziland. Bulembu is a town abandoned by the mining industry—citizens were driven out and left with nothing. The area is ravaged by AIDS, and orphans and babies are abandoned daily. With Bulembu Ministries (www.bulembu.org), we hope to achieve two equally important goals: to convert the old town into a self-sustaining community (with over three thousand jobs, involving “the formation of small and medium businesses”), and to care for two thousand orphans within that community. While this project is unique and daunting like few others, I believe it is possible.

32. How have you integrated Biblical principles into your business practices, thus acting differently than a non-Christian would?

I have integrated Christianity into my business practices in several ways. For example, when Teldon Australia went into receivership on November 1, 2004, my wife and I wrote letters to the suppliers we owed money to: we offered to pay them 63% of any shortfall they would experience. This 63% reflected our ownership in Teldon Australia. Ultimately the receiver paid out 38% to all unsecured suppliers, leaving them with a shortfall, so my wife and I joyfully issued cheques as promised. This was our expression of honoring Jesus Christ and living up to our commitments.

In 1991, when our business was in soft receivership, I had a “burning bush” experience. I heard God speak to me audibly and make the promise that if I walked in obedience, He would “smash the mountains.” We were producing a swimsuit calendar at the time, which sold extremely well, but I felt that it was not appropriate to keep producing it. So even though Teldon was in a financially desperate

position, we refunded \$40,000 to customers who had ordered and prepaid for the swimsuit calendar. That step of faith was financially daunting, but the company is still around and doing well, thanks to God.

33. What lessons would you 'pass on' to Christians pursuing entrepreneurship?

Don't over-spiritualize business. Allow biblical principles to guide you and influence your decisions.

Watch out for greed! The best way to overcome greed is to write big cheques and give money away. It is liberating.

34. How could your local church congregation support you as an entrepreneur?

Over the past five years, I have noticed a general trend of churches starting to embrace businesspeople—not just for their money, but actually to utilize their God-given talents of leadership, decisiveness, and innovative thinking. I think the church should continue taking this approach.

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

To love my enemies. In my opinion, an 'enemy' refers to a person who seriously hurts me, a friend who betrays me, or an employee who blatantly abuses my trust.

36. Who has been most helpful (and why or how) in addressing these challenges?

Christian friends have been most helpful by caring about me, listening to me, and accepting me, instead of just providing practical solutions to business struggles.

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

I have hired many people from various churches, and it has often been a negative experience.

38. Have you done business with other people in your church? Please explain.

Yes I have, but I generally try to avoid it. I don't come to church to talk business, and I strongly dislike using my church—or any church—as a networking tool.

39. Have your relationships with those people been positively or negatively affected—from a business and spiritual standpoint—by doing business together? How?

Mostly negatively. I would rather not go into detail.

40. Are any passages of scripture particularly meaningful or inspirational to you?

A number of passages are meaningful to me. I really like all the Proverbs, and especially Proverbs 3:5-6: "Trust in the Lord with all your heart, and do not lean on your own understanding; in all your ways acknowledge Him, and He will make your paths straight."

Also, I like Psalm 37:4: "Delight yourself in the Lord and he will give you the desires of your heart," and James 1:27: "Religion that God our Father accepts as pure and faultless is this: to look after orphans and widows in their distress, and to keep oneself from being polluted by the world."

Verses like this help me stay motivated.