



CONTACT INFO



Henry Braun



POSITION/TITLE
President

COMPANY
Braun Investment Group Inc.

WEBSITE
N/A

LOCATION
Abbotsford, British Columbia

TYPE OF BUSINESS
Residential & Commercial Properties

NUMBER OF EMPLOYEES
6

STATUS
Private

YEARS IN OPERATION
1979 - Present

ANNUAL REVENUE
N/A

HENRY BRAUN BRAUN INVESTMENT GROUP, INC.

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Interviewed by Justin Jacobson
On November 22, 2005

"I found that if we honor God then in due time He honors us. I wholeheartedly believe that when we follow scriptural principles, even when outwardly it looks like it is costing us, something miraculous happens in God's economy."

Henry Braun

GENERAL ENTREPRENEUR QUESTIONS

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

I started my first venture in 1973. At the age of 23 I formed Four Star Construction Ltd. This company was an underground construction firm providing underground utility services for residential subdivisions.

2. *What motivated you to become an entrepreneur?*

My father had his own company and as long as I can remember, being the oldest of seven kids, I also wanted to own my own company. At the age of 23 my father and my uncle, who were business partners in Pacific Northern Rail Contractors Inc. (formerly known as G. Brown Contracting Ltd.), the company where I was currently working, encouraged me to start a business of my own.

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

Henry Braun, Braun Investment Group, Inc.

Yes, and in my case it happened to be my father. I was 11 years old when my father started his own business and I literally watched it grow at the dining room table of our home – that table was our first office. I was also always impressed with his work ethic and the fact that his word was said to be his bond. In fact, many people told me that if he said something then that verbal promise was worth more to them than if they had a signed legal document. That reputation was a major inspiration to me and I will never forget it.

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

I came to this country and, as an immigrant, I didn't speak any English at the time I started grade one. I struggled in school but thankfully with the help of my teachers I managed to finish grade twelve. That is actually the extent of my formal education, but I have also learned much from advisors, through the process of trial and error, and the dynamics of doing business with others. Some parts of the learning process have been expensive - especially with lawyers. I have had a good legal education in some sense, but it has cost me money because of mistakes I have made over the years. I believe that a formal education is important, but it is not the be-all-end-all some might suggest.

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

There is really only one venture that I started completely on my own, and that is the business I started in 1973. In terms of venture involvement however, broadly speaking, there are four companies in total. All of these ventures included my father, and three of these four companies also involved my brothers.

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

They were all financially successful but that is not to imply that there were not some hard times. This is especially true in the early 1980s, when interest rates spiked at almost 21%. There were times when a 'bad' project came along that took some of the joy out of what I was doing but overall I would say they were all successful companies – not just financially but in other ways as well.

ENTREPRENEURIAL QUESTIONS REGARDING YOUR SPECIFIC BUSINESS

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

The first business I started [Four Start Construction Ltd.] was really a direct result of my father and uncle encouraging me to start and own my own company. They came alongside because the one thing I didn't have a lot of at the age of 23 was money. They provided the necessary seed capital in that first venture while I put up what I had, which was the equity in our house.

With regards to Pacific Northern Rail [PNR], originally my uncle and father started as 50/50 partners. While I worked for PNR after high school, I did not become an owner of PNR until 1979, when my uncle, wishing to sell his half of the company, allowed me and my three brothers to buy him out. At that time PNR was primarily a local Fraser Valley company that took on the odd job in other parts of BC, such as Prince George and Williams Lake. In the years that followed, we managed to grow PNR from a one location company to a respected business that was recognized in its field across Canada. We opened up offices in Edmonton, Calgary, and Toronto. I suppose in that sense we were responsible for expanding the company, but it was most definitely built on the foundation created by my father and uncle. In effect, we became a second generation company and I, myself, became a second generation entrepreneur.

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

In the first instance of the company that I founded there was no existing foundation. I was starting from scratch. I basically analyzed the market in the area, the number of lots that were being serviced and sold, and went from there. I had some connections through my father's existing business relationships to people who were already involved in the field so I went and talked to them about my opportunities. I asked them about the chances of me being able to successfully bid on this work. They replied that my chances to bid were very good, however, I had to be able to produce a tangible product, and I had to be competitive in the market. At that point I developed a fairly rudimentary business plan to map out what I thought I might be able to do. Interestingly enough, a year or two into the business I discovered things were much better than I had originally anticipated. There was a lot of planning involved in making things run smoothly, and I was fortunate in that I could bounce things off my father who had been down the road before.

On the PNR side it was already an established company so there was no new business plan that was created, only the informal planning that preceded my involvement. So in this case, it was more a matter of looking at the current business strategy, the history of what the company had done, and making sure we embraced a strong belief that we really could enlarge and expand the company geographically.

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

I think it probably was about six months, from seeing the opportunity to the first day of business, though honestly I cannot be sure.

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

My father and my brothers were my primary business partners. In some of the other companies (the offshoot real-estate investments for example), however, all of my siblings were also included. In that sense we really were a completely family owned company. But again, on the PNR side it was just my dad and my brothers.

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

In my first company we did have a business plan. But in the railroad we didn't have a business plan because it was already an established company. By the time I came along the company was already eighteen years old; my father founded that company in 1961. At that time I was only 11 years old, but I watched with interest as the company grew from the dining room table of our home, which doubled as our company office for the first two years. I still remember being 13 years old and typing letters for my dad.

With some of the other businesses, especially on the real estate side, we had very detailed business plans. When it came to commercial or residential development the banks wanted to know where the revenue was coming from and how we would cover expenses.

12. *What kind of financing did you have?*

When I first started I didn't have a lot of money but I had a little equity in my house. The rest was really borrowed money from the bank with all three of us owners providing a personal guarantee. Looking back now I realize that my dad's co-signature and that of my uncle's were worth a lot more to the bank than any document I happened to sign at the time.

13. How much capital did it take?

I think it took around \$250,000 in 1973 for the first company. On my dad's side, when he started PNR back in 1961, I think it was somewhere around \$10,000 - \$15,000, which in those days was a lot of money.

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

In the construction company it was probably within 60 days. It was rather quick and I was quite astounded. When I founded this business I wasn't a Christian, and the success that I enjoyed just about killed me in a sense. In hindsight, success came a little bit too easy and I am not sure that it was always good for me.

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?

Whenever we negotiated a line of credit with the bank we tried to build in a little bit of a safety margin. This was mainly because I knew from having watched my father go through some hard times, that things are not always the way you plan them to be, and that sometimes things come out of left field that you didn't originally expect. As such, we always tried to build in some sort of cushion. I think maybe only three or four times in my business life did I have to go back to the bank and renegotiate a line in the midst of a crisis. The time you want to negotiate a good credit line is when things are good – not when they are bad.

That being said, there were times when we weren't sure we were going to make the next payroll if all of our receivables didn't come in. And there were also times in the lean years when I remember reducing my salary because I felt that if I expected other people to do it then I, as the owner, had to lead by example. If there is one way to sow discord in your own company, it is that you do something different than is expected of your employees. This is another lesson my father taught me.

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

Looking back, I cannot believe how many times I would risk everything. I think if my wife had realized how many times our house was at stake she might have less willingly signed her own personal guarantee along with mine. I think that a strong belief that we could do what we were about to do, or could do what we were currently doing, was very important to our continued success. We needed an attainable goal and a belief that if we put our shoulders to the plow we would achieve it.

Also, having qualified people around us was important. None of us had a great formal education, so we always tried to hire people around us who had the skill sets that we didn't have. We were not personally engineers but we were in the railroad business, so we went and hired engineers. We looked for people with strengths where we had weaknesses. In this way we maximized our potential.

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

When I first started my own company my biggest weakness was just pure lack of experience. It was a brand new company and I had never directed people or put bids together. When I look back now I cannot believe how well things worked out for me given my inexperience at the time. I found a good estimator and I relied heavily on him. Together we managed to muddle through my first couple years. You very quickly learn that you can put this many feet of pipe in the ground, or whatever it was, that you happened to be doing at the time.

Another practical weakness was the fact that we did not have unlimited resources. I sometimes saw opportunities, but I just didn't feel that we had the resources to pursue them. In other cases I just didn't want to risk more than I was already risking.

18. *What was your most triumphant moment?*

There are lots of things that I could put down, but I guess it was probably when we became the premier railroad contractor in Canada, when we were recognized as being the best in Canada for what we did. This was really a great moment for us.

With regards to our largest project, that would have to be the completion of Vancouver's Millennium Skytrain line. While it was railroad related, it was also something different from traditional railroad projects. In the broad context of things it was an innovative step forward for our company. We were really the only track contractor in Canada that could do the job required, and as such we were sought out. In this case it was SNC Lavalin, the largest engineering firm in Canada, headquartered in Quebec, that asked us to be the managing partner in a 50/50 joint venture. It was definitely an affirmation of the respect our company had earned within the track contracting field.

19. *What was your worst moment?*

My biggest fear was that I would get a call regarding someone who had died on the job. That call came one day when my brother in Calgary called to inform me that two young men, whom we had hired only two or three weeks previously, had just died in a motor vehicle accident going from one job to another job. That was probably the worst moment in my business career. It was nothing that we, as a company, had in any way contributed to, however, of all of my experiences that has to be the worst one.

In another case, I received a phone call from our Toronto office informing me that there had just been a multimillion dollar derailment on a section of track that we had just rehabilitated only a week before. Of course, until you hear the details that are behind the situation all you know is what you were told on the phone. You can't help but think worst case scenario and wonder what your company might have done wrong. As

it turns out, however, it was not anything that we did or could have anticipated. It was merely the result of something the locomotive engineer did which caused the train to derail as it was going around a curve.

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

For me, most of our problems always revolved around people. Situations where there were misunderstandings between employees were all too common. As an employer I often had to act as a sort of referee and try to smooth things over. I often said that if there were no people there would be no problems, however, that wouldn't be much of a life either.

Secondly, finding the right people for the job whenever we had an opening was a difficult issue to solve. Warm bodies are always easy to find but to find people who actually know what they are doing in those areas can sometimes be a challenge. Sometimes we had to look a long way from home. Other times we had to look to the competition and let it simply be known that we were looking to hire new personnel. Sometimes people would come over and other times people would not.

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

Above all else, we looked for people with character and integrity. If I ever sensed that there was something deficient in a person's character then that would bring up a trust issue. Whether it came to accounting or engineering or legal work, I had to be confident that what people were telling us was reliable and could be trusted.

REFLECTIVE QUESTIONS

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

I think to watch employees rise to the challenge of being the best they can be, and watching them grow over a period of time, is very satisfying to me. We always tried to encourage our people by saying this is what we see in you – go do it! Some needed more of a push than others, but I think most of them eventually got there and now feel fulfilled in what they are currently doing. For me there is a satisfaction in watching co-workers be the best they can be.

A second personal reward is being blessed with the ability to give back to the community – both with my time and money. The community has been good to my family and I firmly believe that we have a responsibility as entrepreneurs to give back.

A third reward is that being an entrepreneur has also allowed me travel the world and experience things I wouldn't normally be able to experience. Through traveling my wife and I have been able to see firsthand the diversity in God's people and His creation.

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?*

1. To be able to understand that there is a difference between being good, or even being the best, at what you do and running a business. The two are not the same. I have watched people who are a lot smarter and more capable than I am, only to see their businesses fail because they did not understand the difference between what they were doing and how they ran their business. People assume that because they are good at their job they can manage a business in the

same field, but if you don't watch the money coming in and the money going out you are going to get yourself into a lot of trouble.

2. Understand cash flow. Know where the money is coming from and where it is going. That is what the bank is looking at, and that's what you should be looking at.
3. Hire the right people. Hire people who not only embrace your vision but are able to enhance it and contribute to it. Sometimes over the years we had to let people go because their vision did not coincide with where we wanted the company to go.
4. Serve your customer and provide the best product – even if your customer is wrong. That is not to suggest that you have to work for them a second time. There have been instances where we just didn't bid on a project because of past experiences with a company. It just isn't worth it and you don't have to put yourself through that a second time. You do, however, have to make sure that the first project was completed to the satisfaction of the customer. Word travels fast in a specific industry. As a result, you don't have to like every customer but they have to at least appreciate the quality of your work.

FAITH AND THE MARKETPLACE

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

What I have found in regards to the notion of 'calling' is that it means different things to different people. If you are talking about a pastor you are often referring to the fact that they have heard a 'call' from God saying this is where you should go. I don't deny that this happens. I simply have not experienced any audible voice calling me to entrepreneurship.

I was an entrepreneur before I came to faith in Christ. I am about half way on each side of the fence – half my time as a Christian and half my time not as a Christian. As a result, I may have a bit of a difference in perspective than others do. I definitely believe that when I became a Christian that God did something in me which I cannot explain. My view is that is a ‘primary’ call, which every follower of Christ experiences, followed by a secondary call to be or do something. As I have looked through scripture I have found many references to a ‘calling.’ One cannot deny that it exists, because in the Old Testament God does call us to serve Him in some capacity and in some particular purpose.

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

Something definitely changed when I became a Christian, but I would not go so far as to say I was not an entrepreneur before I came to faith in Christ. I have been aware of the fact that I wanted to own a business from as early an age as 5 years old. I always said I wanted to be in business with my dad. I think every kid who grows up that way wants to do what their dad does. It just so happens that I was fortunate enough to actually get to do it. I don’t believe in luck and I think that God has a plan and purpose for all of our lives. He sometimes weaves a thread through life that we may not fully understand, or ever understand this side of eternity, and I am convinced of that.

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

My pastors in the church, my wife, my children, and my Christian friends, have all told me specific things that they see in me. I think we need to listen to the people who are close to us to find out what our ‘gifting’ is. We are all unique individuals and I firmly believe that there is always something that only we can do in life – no other person can do it. As I read the Bible and try to understand scripture I am reminded that we are unique and that God has made us for a purpose.

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

I believe that the greatest and foremost gift that I have is God’s gift of salvation. I think it all starts there. Flowing out of that gift of salvation come other gifts, and as I said before, I think other people are better equipped to judge our gifts than we are. Over the years my pastors, my wife (who of course knows me better than anyone) and my children have all affirmed that they have witnessed in me the gifts of wisdom, discernment, administration, faith and giving. Secondary to those would be others, but those are the particular gifts that others encourage me in, so I therefore take by their encouragement that these must be my primary gifts.

28. *How did you (or do you) integrate your business expertise with your Christian calling (and how are they complementary)?*

After I became a follower of Christ, I knew through study of the Bible, reading commentaries, and just talking with my pastor, that there were lots of issues I needed to address. As I started to read the Bible I knew that the way I was conducting my business in some areas created a conflict between what I was doing and what I was learning from the Bible. I then tried to get a better understanding and I tried to implement the Biblical principles in everything I did. As I did this I discovered many things, but I will only elaborate on a couple of things.

First of all, people who never conducted business with us before suddenly wanted to do business with us, and, for reasons I can’t fully explain, new opportunities just happened to come along. Secondly, I found that if we honor God then in due time He honors us. I wholeheartedly believe that when we follow scriptural principles, even when outwardly it looks like it is costing us, something miraculous happens in God’s economy.

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 only been involved in one church fellowship (Seven Oaks Alliance), since I have come to faith in Christ; all of my experiences have come from that one fellowship. I have served as an usher and as a greeter. I have served by counting the offering. And I have also served three terms on the Board of Elders in the capacity of Treasurer, Vice Chairman, and Chairman.

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

I have served on the Finance Committee of our Denominational District Office and have also served as Treasurer for the District Executive Committee. Furthermore, at the denominational level I have served on the Finance Committee for our bi-annual General Assemblies.

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

For the past 12 years, I have served on both the US and Canadian boards of Ravi Zacharias International Ministries [RZIM], a world wide evangelistic ministry focused on apologetics. At the present time, I serve as Vice-Chairman on the RZIM Canadian Board. I have also been involved in a capital campaign for Youth for Christ and have provided financial support to other Christian ministries.

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?*

It seems to be implied that in the question there is an assumption that non-Christians operate at a lower standard than a Christian. I view this as problematic because that has not always been

my experience. I prefer to use the term a 'follower of Christ' as opposed to a 'non-follower of Christ' because I have done business with people who claim to be Christians but do not operate according to Biblical teachings. Furthermore, I have done business with many people who have a higher moral or ethical standard than certain so-called Christians I have dealt with. I believe that as 'followers of Christ' everyone whom we encounter should notice a difference within us – not so much in what we don't do but rather in what we do and how we do it. This provides a platform to share our faith with others who ask and are genuinely interested in the difference they see within us, as opposed to the alternative, which is forcibly pushing our religion on others.

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

1. Guard your Heart. One must resist temptations that will lead you away from God. Temptation can lead one down a path of either destruction or disillusionment – or both.
2. Do what is biblically right, even if it hurts you financially. There are many instances today where you can do something that is legally right but is morally and ethically wrong.
3. Let the Bible speak into your life and the situations and/or circumstances that you find yourself in. Don't cherry pick one verse out of the Bible. You have to dig deeper to find out what all of scripture says about an issue so that you can discover the larger theme behind a concept.

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

I've always felt that through the teaching and ministry of the church I am continually reminded of who I am. I am a follower of Christ and a child of the Most High God. Once you grab hold of that truth, and believe it in your heart, you cannot help but

want to honor God in everything you do. It is not out of a sense of duty, but rather, it is out of a sense of love for God and what He has done for us through the person and work of Jesus Christ. In that sense the local church encourages me, not so much as an entrepreneur, but as a fellow sojourner and follower of Christ.

This notion that entrepreneurs are somehow special is not a biblical view of who we are. I would say the same thing about a Pastor, or Missionary - there is nothing special about us - we are all sinners saved by grace. That is not to negate, or denigrate in any way, the influence and privilege that we may have as entrepreneurs. Whatever we do or have is to be used to benefit others in order to glorify God. Hopefully this will bring others to a point where they will ask a reason for the hope that lies within us.

The church has also encouraged me through its preaching and teaching ministry to dig deeper into issues on my own time. You cannot expect the church to be all things to all people in one hour every seven days. There is a certain personal responsibility each of us has to go dig a little bit deeper. The church can point us in the right direction and encourage us on our faith journey.

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

One of my biggest challenges is not to be overly impressed with myself. It is easy to believe that success is of our own doing. Obviously, God gave us a brain and our abilities; as such, He expects us to use them wisely - but there is more to it than that. All too often I believe that God is left entirely out of the equation when we reflect upon our own personal success. You are really in a partnership with God, and if you try to honor God in what you do, in due time He will honor you and sometimes it is after we pass on.

There can also be a temptation to compromise biblical principles when the going gets tough. Everyone is tempted; the key is not

to succumb to the temptation. I have talked to a lot of struggling Christians who have come to me and said that if they continue to do things biblically they are not going to be as successful as their counterparts. Maybe it is because others are taking cash under the table or doing this and that. When they ask me what they should do all I can say is that they have to come to grips with whether or not they want to follow biblical principles. The answer is not to start stealing or disobeying the Bible. You have to do what is right - even if it means accepting a loss or getting out of the business altogether.

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

For me it was my two former pastors, my wife, and Christian friends.

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

Over the years I have hired people from my church as employees, trades people, and suppliers. Generally, I would say my experience has been positive with the odd exception.

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

I have been involved in mentoring people. I have also purchased products from church members, as well as given referrals from time to time.

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?

Generally, I would say my experience has been positive. I have also had some disappointments, but then again I may have contributed to issues that arose.

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

Eph. 2 verses 8 & 9 – this is my favorite verse in the Bible – ‘For by grace you have been saved through faith; and that not of yourselves, it is the gift of God; not as a result of works, so that no one may boast.’

My life verse comes from a portion of Joshua 24:15 – it is a call from Joshua to covenant renewal, ‘choose for yourselves today whom you will serve...as for me and my house, we will serve the Lord.’