

## Financial Post Magazine

### Derek Oland: Lifetime Achievement, 2011 Entrepreneur Of The Year



Keith Minchin for National Post Derek Oland--Derek Oland, Executive Chairman, Moosehead Breweries, poses for a photograph in the Brewhouse, at Moosehead Breweries, Wednesday October 26th, in Saint John, N.B.

*The chairman of Moosehead Breweries isn't a classic entrepreneur. After all, Derek Oland inherited the business from his father, who inherited it from his father and so on. But Oland is more than deserving of Ernst & Young's Entrepreneur Of The Year 2011 Atlantic Lifetime Achievement Award. For one thing, he's the founding chair of the Wallace McCain Institute for Business Leadership, which has helped more than 100 entrepreneurs deal with business issues and succession planning. Here, he shares his insights on success, his business philosophy and the lessons he's learned during 50 years in the brewing industry.*

> **BUSINESS PHILOSOPHY** I want to be able to hand the company over to the next generation in better shape than I got it. The second one is that I don't want to be the biggest; I just want to be around the longest. I'm coming up to 50 years in the brewing industry and I've seen an awful lot of small and big companies disappear, particularly in the Canadian brewing industry. We're the biggest Canadian-owned brewer in Canada, and we're here in Saint John, New Brunswick. There are an awful lot that have gone south and east, and one went west. It's tremendously satisfying and it's great for the people here in New Brunswick and the Maritimes. We've got solid brands, great management.

> **BIGGEST ACCOMPLISHMENT** The single biggest one was bringing the U.S. market to Moosehead. It not only gave us tremendous volume and improved our sales and marketing, it allowed us the confidence to move across Canada. The other one is that we're still here. I've

been able, with the help of a whole lot of great people, to keep this company growing. And I feel very happy that two of my four sons are in the business doing what I did and my father did and what my grandfather did.

> **BIGGEST CHALLENGE** Dealing with succession with my brother and my father. I solved it by keeping at it, keeping my head down at the right time. Actually, I quit once to make my point and it had the desired effect. My father had decided my brother should be on my level and I said, “No, I want to lead the company and if you make him level with me, it makes things more difficult.” It was difficult, but that’s the price of leadership, the price of success.

> **DEFINITION OF SUCCESS** Having a successful business, a successful family life and having respect in the community. Part of that you get by giving back. There are a lot of things people do to make their communities better and I believe in that. That’s why the whole Wallace McCain Institute for Business Leadership thing is so satisfying, because there are more than 100 people who have gone through or are going through the program from all over Atlantic Canada who are going to be better businesspeople because of it.

> **LEADERSHIP** It takes vision, guts, determination, intelligence, good luck, fortune, a great idea, great mentors — there are all sorts of things.

> **SUCCESSION** You’re very fortunate if your sons and daughters successfully take over the business, because too often it doesn’t work. We don’t allow our children to come into the company once they graduate from university. They can work here before, just like any other son or daughter of our employees, but then they have to go out and do their own thing. When they do join the company and they want to, it means they’re making a definite commitment and the company is making a commitment. Three of my four sons have a master’s in business so they’re all well-prepared scholastically, but then they have to compete within the company. I firmly believe that in a family company, unless you have non-family people who have the ability to become the top manager, you’re not going to have a top-notch management team. So many people play the ego game and decide their son or daughter is good enough to run the company when that isn’t always the case. If you set it so that will happen, that’s not a recipe for success.

> **LONGEVITY** We love the business, we’re good at it, we’ve survived because we are good at it and we’ve continued to evolve and work on it. The biggest thing we didn’t do was go public. John Sleeman once told me he spent a third of his time just keeping the market happy. That’s not productive time when you’re selling beer and producing it. All you’re doing is trying to beat the market each quarter. The tyranny of the quarterly market must just be awful. In a family company, you don’t get very wealthy, because you keep plowing the money back into the company to make it more efficient and better and grow, but you also have to use that revenue to pay out to family members and buy back the shares with each generation.