

Business of the Year

CONCORDE GROUP

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Photos by Stuart Kasdorf Photographics

Each December, an editorial panel from Saskatchewan Business Magazine singles out an exceptional Saskatchewan company on which to bestow the title of Business of the Year. It is always a distinguished company, one that has achieved considerable business success and earned the respect of its peers while continuing to give back to the community. It is also usually a business that has been quite noticeable in the media over the past year.

The 2009 Business of the Year is Saskatoon's Concorde Group.

For almost 40 years, Concorde Group has been a part of the growth and development of Saskatoon. From its early beginnings as motel operators and apartment building owners, to current development projects like BizHub, the largest industrial park in the history of the province, Concorde has left its stamp on properties and businesses throughout Saskatchewan.



David Dubé, Chief Executive Officer (left) and
Michael Bischoff, Chief Investment Officer



EARLY YEARS

Concorde began as the brainchild of Leslie and Irene Dubé, the well-known philanthropists who, this past October, pledged \$6.5 million to the Children's Hospital Foundation of Saskatchewan in the largest known private donation in Western Canada. The Dubés have contributed at least \$13 million to various health care, educational and other causes in the past decade.

Concorde Group grew out of several other companies that Leslie and Irene started in the early 1960s. After being promoted to the head office from his job as a grocery store manager with Westfair Foods, Leslie saved some money and invested in 75 acres of land in Saskatoon. He built a motel and was able to invest in some apartment buildings and later a produce brokerage business. Never afraid of hard work, Irene operated the motels and handled the leases and accounts for all the businesses while Leslie continued in his job at the grocery chain and worked evenings and weekends on his other ventures. They also had three children during this time, Debi, Dawna, David.

"Those were different times," Irene remembers. "You just did what you needed to do."

By 1969, Leslie was ready to leave his 'day job' with Westfair Foods, who he credits for treating him "wonderfully" during his time there. Leslie and Irene hired one other employee and rented a 1,700 square-foot office to manage their various businesses. In 1972, they decided to consolidate their holdings under the Concorde Group name.

"We had a pretty good idea then that it would grow, but we did not have a vision that it would grow to where it is now," Leslie says.

GROWTH YEARS

In the 1970s, Concorde had over 300 apartment units in Saskatoon, providing housing for the influx of people employed in the construction of nearby potash mines at Vanscoy, Allan and Lanigan. But when construction on the mines was complete, the bubble burst and the Dubés saw over a third of their units empty out. "It was a gloomy time for awhile," Leslie recalls. Concorde had to act quickly and work hard to bring in new tenants. They called some of their suppliers and asked for extensions, and they invested in swimming pools and offered perks like the first few months free to attract renters. "Within six months to a year, everything was paid for," Leslie says. "In a couple of years, we came out pretty good."

After several years managing residential properties, the Dubés decided to focus on office, commercial and industrial properties and sold the apartments in the late 1970s. In the next decade, Concorde expanded its produce operations and in 1980, had the opportunity to purchase a large

portfolio that included five shopping centres, some strip malls and 15 warehouses. Over the years that followed, Concorde expanded its property holdings to other areas in Saskatchewan as well as in Alberta, Manitoba and British Columbia.

"The important thing about building a good corporation or unified network of people in business is to have trust in those people and to understand that they are the most valuable resource," Leslie says. "You have to have good, competent, committed people. It's not a two- or three-person operation. Without our people, we could never have done the things we did."

THE NEXT GENERATION

One of those valuable people who worked in the company for almost 14 years was Leslie and Irene's son David Dubé. In 1996, David prepared a business plan and an offer to buy the company from his parents. They accepted, passing the torch to the next generation.

Although Concorde Group is a company with a strong family history, it was important that the transition be strictly business, David says. "I've seen too many family businesses that got handed down. I didn't want the business to be handed down. I wanted to earn it and pay for it. Doing that was something I needed for me."

Leslie and Irene continue to hold seats on the board of directors, but they no longer hold any shares in the company. They have every confidence that Concorde Group is in capable hands. "David will continue to bring enviable growth to the company into the future," Leslie says.

While David acknowledges that his style is certainly different from his parents, he has no intention of forgetting his roots. "You don't succeed in business when you throw away some of your biggest assets, and my parents are always going to be tremendous assets to the company."

Today, the diversified conglomerate's headquarters occupies 11,000 square feet and is bursting at the seams. Concorde has several different areas of business, including: the Pizza Hut franchise in Saskatchewan; several produce-importing and distribution companies; a property development and management division; a venture capital and investment portfolio

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Concorde Group's North Landing development project in Saskatoon

lio; and several other smaller enterprises. Concorde has 750 employees, of which 450 are located in Saskatchewan.

Concorde's head office is in Saskatoon, with offices in Winnipeg, Calgary and Langley, B.C. as well. Over the years, the business has changed, he says. "We rationalize our business constantly – we look for ways to improve on our strengths and jettison businesses and assets that just no longer fit with our vision." The company holds numerous properties in Saskatchewan and throughout North America. "Concorde has interests that stretch from the Gulf of Mexico to Yellowknife, from Toronto to Vancouver," David Dubé says. "We trade in 60 different countries. It's a global business."

THE CHANGING FACE OF SASKATCHEWAN

The success Saskatchewan has enjoyed over the last couple of years has brought about a welcome change in attitude in the province. "There are many great community business leaders in Saskatoon and Regina who, for a long time, kept an extremely low profile because they were living and functioning in what was effectively a hostile environment," David observes. "The hostility has subsided, and now it's time to celebrate prosperity and understand that when we all work together – be it in your business or your community – that success is shared by everyone. A rising tide lifts all boats."

David and his wife Heather have lived and worked in several other centres, but Saskatoon is home, even if it has not always been easy. "Frankly, I was close to leaving Saskatchewan a number of years ago. Technology would have allowed us to keep the business here but live elsewhere. It came down to asking the question, even if we succeed financially, is it the place where I want to be surrounded by this attitude?"

Fortunately, David and Heather decided to stick it out, and now he is glad he did. "For me, the change has been incredibly liberating. I couldn't be more pleased with the trend and attitude that's going on in the province today," he says. "I really believe that the attitude change is a permanent one, and that we'll have more progress in the next 10 years than we've had in the past 40 or 50 years."

As for Leslie and Irene Dubé, Saskatchewan will always hold a special place in their hearts. "We never lost our love for Saskatchewan," Irene says. "Our head office has always remained here. It's a good place to raise children, and it's a good place to be. It always has been. Right now, it's the place to be in the world. Saskatchewan should be proud."

GIVING BACK TO THE COMMUNITY

One of the criteria for Business of the Year is for a company that gives back to the community. Leslie and Irene Dubé, founders of Concorde Group, are

two of the best-known philanthropists in Saskatchewan history. In addition to their donation to the Saskatchewan Children's Hospital Foundation, Les and Irene have made contributions to a new wing at St. Paul's Hospital, new mental health centre at Royal University Hospital, a Breast Health Centre at Saskatoon City Hospital and the Les and Irene Dubé Community Service-Learning Program at St. Thomas More College, among many others.

The Dubés have been supporting various causes anonymously for more than 25 years. It has only been within the last decade that they have made their donations public. "Up until about eight years ago, we did everything anonymously," Leslie recalls. "We were approached and pressured a little bit to come out and use our name to inspire others, get matching grants and so forth. We believe that it's working."

As to how they choose which causes to support, the elder Dubés say they simply look to address 'unmet needs.' They say their unshakeable faith has been the cornerstone in their lives, their marriage and their work. "The money we share with charities, it's really intended to reach those people who have no idea where it's coming from. It matters not to us," Leslie says. "What we want to do is to have something available to take away stress and relieve pain and suffering."

David Dubé carries on the tradition of community support, on a corporate as well as personal level. He and his wife created the Heather Ryan and L. David Dubé Foundation, which has been a major supporter of the Nature Conservancy of Saskatchewan and the University of Saskatchewan, particularly the Western College of Veterinary Medicine and the Huskies Football team. All of these celebrate uniquely Saskatchewan traits. For example, "we've got the only veterinary college in Western Canada right now and it's a world-class centre. It's a gem we have that most people don't know about."

As a company, Concorde sponsors numerous causes, including Huskie Athletics, the Saskatoon Zoo Foundation, all of the hospital foundations, and events like the Open Heart Open Golf Tournament in support of the Heart & Stroke Foundation of Saskatchewan.

"We do the things we do as a company because we believe in the cause and we think that our name and our contribution can be levered to get other companies and individuals interested," he says. "But because it's often a personal choice, we prefer to make most donations personally rather than just associate our business with them."

NEW DEVELOPMENTS

In the past year, Concorde Group completed the first phase of its BizHub project in Saskatoon, the

largest industrial park in the history of the province. The 500-acre mega project targets businesses that need a large footprint of land, but not necessarily large buildings, such as distribution centres, lumber yards, manufacturing firms and transportation companies. Located along the Yellowhead on the north side of Saskatoon, all lots are a minimum of five acres, with paved industrial roads and services such as water, electricity and natural gas.

The project is impressive, both from the perspective of scale as well as from the number of jurisdictions involved. Was it a huge leap for the company? "Actually, we're relatively conservative, even though many people see us as risk-takers. I don't think we're tremendous risk-takers," David says. "We do our homework; we're very diligent and we like to think we bet on sure things. Others might find them risky, but we feel like we've done enough homework that we're taking a very calculated risk."

The land on which BizHub sits was acquired over the past two decades, with the plan coming to fruition within the last five years. It has been a co-operative effort between Concorde, the City of Saskatoon and the RM of Corman Park. "It took two and a half years of talking to make it happen. I think we built out Phase I in less than a year and half. So the actual work took less time than the talking and regulations and re-zoning," David says. "It took some time for everyone to see how we will all benefit. But Phase I is now complete and in a few years, people will be saying, 'Oh, that was always there.' As a developer, that's what you want."

The global downturn took some of the multinational companies out of the picture who had been considering lots at BizHub. "They just suddenly weren't able to make capital expenditures," he says. "The good news was that, even though last year was quiet, we had a lot of local interest and uptake." However, that quiet ended this past September when markets had stabilized and began to make their recovery.

North Landing is another Concorde development project located at 51st Street and Faithfull Avenue in Saskatoon's north end. Concorde intends North Landing as an upscale alternative to what is currently available in the north end.

VISION FOR THE FUTURE

After the global recession of 2008-09, has the economy turned around? "Without question, things are turning," he says. "In Saskatchewan, we slowed, but we didn't stop and we didn't lose ground, and that's a tremendous confidence boost for business, the general population and should be for government. I don't think growth is going to be booming; it will be slow and steady growth,

and this is more sustainable in the long run. It will enable us to keep up from an infrastructure and regulatory standpoint, and allow us to make prudent decisions not done in haste."

David feels the real estate market has reached a manageable equilibrium. "The low-hanging fruit is gone," he says. "After being depressed for most of my lifetime, the market has corrected itself in a positive way. I think we'll see sustainable growth from here on out, growth that doesn't give you an upset stomach when you go in to sign your lease agreement."

What is next for Concorde? "BizHub is going to take our attention for quite some time," David says. "We're continuing to look at development opportunities. Many of our assets are due to be redeveloped. We're constantly evaluating whether a property is the best it can be. It really gets the creative juices flowing for our development team. We think, 'This is what it is – what can it be?'"

Managing the growth of the company requires constant attention. "One of the biggest challenges we face is that we've got to a size where the bigger your company, the more you resemble a government," he points out. "The challenge is having process without bureaucracy. I fight it on a regular basis. I want process and discipline, but I don't want paralysis by analysis."

THE TIME IS NOW

At the helm of a company with decades of success behind it, what is David Dubé most proud of? Despite his company's stellar record, he's more concerned about achieving greater things in the here and now than dwelling on past triumphs. "Honestly, I don't give a lot of thought to what I'm most proud of," he said. "There will be a time someday to look back on this, but there's no time for that right now. My focus is on what's next."

And what is next is to seize the day in this province. "I have never felt as optimistic about Saskatchewan as I do today. For 75 years, my great-grandparents, my grandparents, and my parents talked about Saskatchewan's potential. Now it's time to stop talking about it and make it happen – because it's already happening. We need to get out there and do it." ■

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