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# SASKBUSINESS

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# PRAIRIE MEATS

A Saskatchewan Success Story

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Winter 2018 Edition

Gene Dupuis, CEO, Prairie Meats

# TRANSITIONING OUT

## A SASKATCHEWAN SUCCESS STORY

by Virginia Wilkinson  
Photos by Jordan Arabski

It was 35 years ago that two young brothers in their 20's, both meat cutters, decided to join forces and purchase a butcher shop on Saskatoon's Ontario Ave. It had five employees, produced approximately 50 products, and was based out of a 3,000 square foot facility.

Fast forward to today, and that first shop which just barely provided an income for the two brothers, now has more than 140 employees, 84,500 square feet of space, directly produces 1000 products and sells more than 3,000 products, and it operates retail, wholesale and bistro facilities!

The growth and evolution of Prairie Meats is a heart-warming, and truly Saskatchewan tale. But while the growth and evolution of the company has been critical to its success today – the steps Prairie Meats CEO Gene Dupuis is now taking to transition out of the company, are critical for its future tomorrow.

### HISTORY

It was 1983. Gene and Louis Dupuis, both meat cutters from Cutknife, SK realized their dream and purchased Prairie Meats. Although successful, the shop sold limited and traditional butcher shop items. Gene had a background in food service and took to the road and began selling directly to hotels, restaurants and hospitals, primarily in northern Saskatchewan, thereby starting the company's institutional wholesale operations. Those operations have grown significantly over the years such that Prairie Meats now employs eight account managers who service hotels, restaurants, hospitals and other institutions across the province.



Gene Dupuis, CEO, Prairie Meats

Under the leadership of the brothers, the company saw significant growth. By 1990 with 12 employees, they moved to a new home on Millar Avenue that at 18,000 square foot, was six times the size of their previous home. In 2001 they opened their first retail store on 8th Street in Saskatoon.

By the mid-1990s, the brothers had installed three smoke houses, and were making 30 different sausage lines, their own hams, smoked turkeys, pork chops and beef strip loins.

In 2005 bursting at the seams with 100 employees and additional equipment, they were again, out of space. They found a building that had some refrigeration capacity in it, which could be redeveloped for their use. It was 53,000 square feet in size and required a \$24 million retrofit.

They purchased the building and began work. Tragically Louis passed away before the facility was finished. Determined to keep the company running, Gene assumed management of the entire operation, and by late 2006 they had moved into the new facility on Dudley Avenue.

“Many of the people we hired over the years stayed with us and became managers and leaders in different divisions within the business. This really helped the company over the longer term,” said Dupuis.

Prairie Meats had been based entirely in Saskatoon, until the owner of Regina’s Frank’s Meats was forced to retire as a result of an injury in 2011, without a transition plan. Gene was contacted and asked if he would consider purchasing the company.

Gene’s plan had always been to maintain operations in Saskatoon, however upon examination of Frank’s Meats’ operations, he found a strong management team that intended on staying. It was a team he could depend on to continue running the operations. As a result he purchased Frank’s Meats and used the business to expand Prairie Meats into Regina.

But with his brother’s early passing, watching others in his industry struggle with the attempt to retire from their companies at an elderly age, and with the knowledge of his family’s history of cancer, he began to think about how he might at some point retire from his own company.

By 2013, Gene knew he wanted to start planning for a transition out, but didn’t know how to start. He had a strong and experienced management team that had a history with the company and the skills to take it over, but the team didn’t have the capital required for the purchase. He also struggled with how to replace his skills so that the company would continue to be successful after his departure, all the while worrying about whether or not he should continue investing in growth.

It was at this opportune time that Westcap Mgt. Ltd. came calling. They first approached Gene’s accountant. He knew Gene was looking at developing a transition path for a management buy-out. He thought Westcap Mgt. Ltd. might be able to help, so he set up a meeting.

### TRANSITION PLANNING WITH WESTCAP MGT. LTD.

Westcap Mgt. Ltd. is a home grown private equity and venture capital fund manager that works to build long-term value for its investors across a broad range of investment funds, through its portfolio of strong, successful and growing Saskatchewan businesses. It works alongside these companies and offers sustainable, long-term partnerships while providing a balance of strategic, operational and financial support. In addition, Westcap Mgt. Ltd. provides access to strategic partnerships, governance expertise, ownership transition experience, growth strategies and more.

The meeting between Prairie Meats and Westcap Mgt. Ltd. was an immediate success and laid the groundwork for the longer-term relationship. Following a due diligence process, Golden Opportunities Fund, one of Westcap’s investment funds, purchased a position in Prairie Meats, and assisted the organization to better structure itself for transition.



With award-winning chef Layne Ardell and the Al Dente Bistro, mealtime is covered; over 1,700 top quality products are available.

“Prairie Meats has a very talented team in place. We have worked with Gene to ensure the company has the best people in key positions and strong management processes. It is these strong teams and processes that make a company more valuable,” said Wanda Hunchak, Executive Vice President of Westcap Mgt. Ltd.

It was the solution Dupuis had been searching for, enabling him to secure his earnings from the company, and transition it to leaders who would enable its future growth and development.

“Partnering with Westcap meant I would be able to transition my business to our talented team, even though they didn’t have the capital to buy me out, and it would enable the company to continue on its growth agenda. It was a win for all of us,” said Dupuis.

The Golden Opportunities Fund acquisition of Prairie Meats took place in 2015. Gene has continued on as the company’s CEO, while focusing his efforts on business development and further defining the company’s strategic direction, as he slowly transitions himself out of the company.

“Every business transition is different. Typically we would like business owners to stay on for a few years to help in the transition to the new leadership, but some want to depart immediately, some want to stay connected through the board, and others want to stay on for a longer period of time” said Hunchak.

## GROWING PRAIRIE MEATS INTO THE FUTURE

Since the Golden Opportunities’ acquisition, Prairie Meats has seen continued growth. In 2016, it opened a 2,000 square foot retail store in Regina’s Harbour Landing, and in January of 2018, it opened another retail store, this time in Saskatoon’s Stonebridge development.

“We’re still in growth mode. While I had stopped focusing on growth, having outside board members with a fresh look at opportunities has renewed the drive for more growth both organic and through acquisition. We opened our new store in Stonebridge in January of this year, and continue to look at all growth opportunities” he said.

Gene is now a strong proponent of leveraging companies such as Westcap Mgt. Ltd. to assist in business transitions.

“Transitions out of businesses like mine would be difficult and more onerous without companies like Westcap. Without an understanding of how to ready a company for sale, and without the available funds, transitions to management teams,



employees or local buyers just wouldn’t happen. And business owners could be challenged to secure the value from their company,” said Dupuis.

Dupuis feels partnership with an investment firm that believes in maintaining ownership of Saskatchewan Businesses in Saskatchewan is important to the economy.

“Saskatchewan people do business differently than in some of the larger centres in Canada. Those values, that business culture, and those relationships we think need to be maintained here in the province. We want to make sure that these successful businesses continue to grow, and that they continue to provide back to our province,” said Hunchak.

Gene says if there is anything he has learned throughout this process, it’s to begin planning for business transitions early.

“There are so many people that wait too long, and then their options are really limited. The second day after you start in business you should start thinking about your long term goals, how are you going to achieve them, and how you’ll eventually transition out of your business,” said Dupuis.

Gene remains at the helm of Prairie Meats but is now able to make his exit on his own time, and Gene believes that the steps he took with Westcap Mgt. Ltd., have been critical to enabling Prairie Meats’ ongoing growth and success well into the future. ■