

## CHAPTER 1

# A STRONG FOUNDATION

In 1908, Charles Bentall, a 26-year-old British structural engineer, stepped off a Canadian Pacific passenger train in the rapidly developing city of Vancouver. He had completed a long journey from England, crossing the Atlantic by steamship and then travelling coast to coast across Canada by rail. Charles first gained significant public attention in 1911 when he designed the structural frame for Vancouver's World Newspaper Building. At the time, it was the tallest building in the British Empire. Now known as The Sun Tower, it still stands proudly on the skyline of downtown Vancouver, a reminder of a bygone era.

In 1912, Charles, whom we all called Granddad, joined a well-known local business called Dominion Construction (Dominion). He started as assistant general manager but soon entered into an agreement to acquire the firm. It was a risky venture since the owners insisted on a formal contract where the interest rate would increase as he paid down the principle. With such tight financial constraints, it is no wonder that his first decision as owner was to sell the company owned car, a Cadillac. He obviously wanted to shed expenses and run a tight ship, but Granddad also believed it was inappropriate for management to be driving fancy company cars while construction crews, carrying out the real work of the company, did not.

When he acquired Dominion, he likely had no idea of the powerful impact that his leadership in the business would have on his family heritage over the next century.

## A MAN AMONG MEN

Granddad was, quite simply, a “man among men.” He built his business on a threefold foundation: i) integrity, ii) hard work and iii) respect for his employees. He became known as a man of exemplary character who conducted his business affairs—and his life—with impeccable honesty. His word was his bond, and major projects that would today require a cohort of lawyers and negotiators were often settled with a mere handshake. While growing up, the only negative thing I ever heard said about him was that, at times, he could be stubborn. Frankly, for a man developing a growing business, I suspect that trait likely came in handy on more than one occasion.



*Charles Bentall on site.*

## BUILDING THE BUSINESS

From 1915 to 1955, Granddad served as the company’s president and beloved leader. As an engineer, he brought both a new level of expertise and an innovative approach to the construction business. Most significantly, he decided Dominion could provide greater service and value to its clients by designing as well as building their projects. By centring the company on this idea, he transformed Dominion into a design builder, a full-service enterprise that offered design, engineering and construction services. This approach was unique at that time and soon became one of the firm’s hallmarks.

*Integrity, hard work,  
and respect for your  
employees are a strong  
foundation for any business.*

During this time, the business helped establish the industrial base of Western Canada by building numerous pulp mills and sugar refineries. Notable Dominion projects also included the Stanley Theatre and the original Georgia Viaduct, both of which are still well-known Vancouver landmarks. When Safeway first came to British Columbia, Dominion was awarded the contract to build 26 of their stores. The company moved construction crews from one site to the next, finishing one



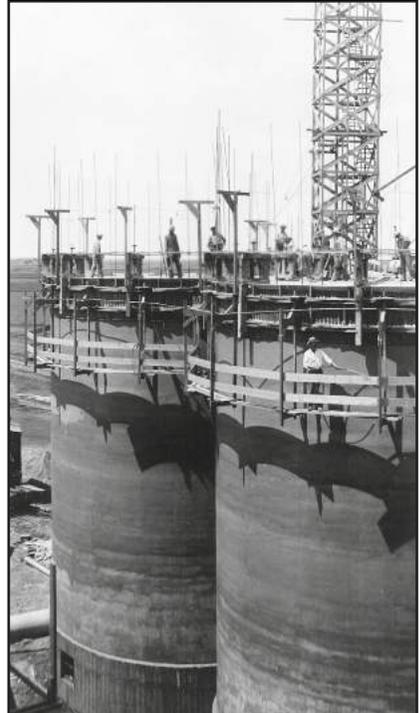
*Charles Bentall assisting final pour at completion of Bentall I.*



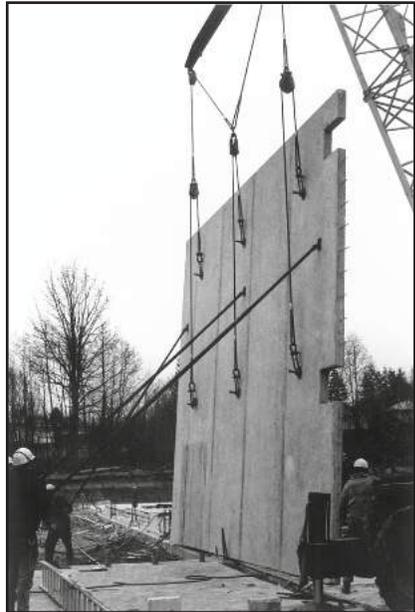
*Knole Mansion, 2206, SW Marine, Vancouver, BC.*



*Bulk storage facility for sugar factory, Taber, Alberta, September 1947.*



*Canadian sugar refinery, Alberta, May 1933.*



*Dominion Construction, pioneers of tilt-up construction in Western Canada.*

new store per month over a 26-month period. This contract eventually launched Dominion into the development and ownership of shopping centres.

Dominion built numerous fine homes in the pre-war period, many of which still remain today, in some of Vancouver's finest neighbourhoods. Always innovative, Dominion became a pioneer of tilt-up concrete construction. As a result, Dominion became the leading design builder of industrial and warehouse distribution facilities in Western Canada. By acquiring land and then reselling it as a package deal (including land, design and construction), Dominion soon became a leader in the development of industrial parks. Early branch offices were soon established in Calgary, Edmonton and Kelowna.

### A HEART ATTACK BRINGS CHANGE

Granddad was at the helm of Dominion Construction for 40 years as the company prospered and expanded beyond his wildest dreams. But his life was irrevocably changed by a sudden heart attack in June 1955. As he lay in his hospital bed, he was, perhaps for the first time, forced to come face-to-face with his own mortality. Suddenly he had to think about the future of the business if he was unable to continue as its leader. Approaching his 70th birthday, and given his circumstances, he must have come to the conclusion that it was time for a changing of the guard in the family enterprise.<sup>1</sup>

As Granddad lay in the critical care ward of Vancouver General Hospital, in the maternity ward of the same hospital my mom welcomed me into the world. My father, Clark, would visit his dad and then take the elevator to another floor to visit my mother (Phyllis) and me. I can only imagine how my dad's emotions must have been running in overdrive. One day his father almost dies and the next day he has a new son. Before too long, he would also have a new job.



*Clark and Charles Bentall reviewing the plans.*

<sup>1</sup> Thankfully, he recovered fully and lived another 20 years, until he was well into his 90s.

Primogeniture (the centuries-old common-law right of the firstborn son to inherit the family wealth or business) was still a common business practice in the 1950s. However, Granddad's first-born son, Howard, chose to pursue a career as a minister rather than join the family firm. That meant the natural choice to head the company was my dad, who was the second-born son. He was a professional engineer who had already accumulated 15 years of experience working in the family business. Dad and his younger brother, Bob, also an engineer, had both joined the business right after graduation and were now vice-presidents of Dominion. However, in keeping with tradition, Granddad determined his elder son would be promoted to president and his younger son would be promoted to executive vice-president. Thus, when Dad came to the hospital to visit his father, Granddad passed him the reins of leadership with the simple words, "I guess the business is yours now, Son."

Dad knew what was expected of him. So he simply went to the corner office that was home to the company president and made it his own. With that, the first management succession in our family business was accomplished. There was no fanfare, no fuss, no lawyers and no paperwork.

## SMOOTH MANAGEMENT SUCCESSION

There were several positive implications evident in how Granddad handled the issue of management succession:

- 1) A leader with appropriate education and 15 years of experience in the business was chosen. These factors contributed to broad acceptance of Dad as the top executive and his ultimate success in that role.
- 2) A clear leader for the next generation was chosen and given appropriate authority to lead.
- 3) The uncertainty and anxiety related to Granddad's health were quieted with the appointment of someone who could provide decisive leadership.
- 4) The new president was selected while the elder generation was still available to provide guidance and support.

## OWNERSHIP SUCCESSION

Granddad wanted to treat all three of his boys equally when it came to his estate planning. He felt that by doing this each of them would feel loved, included and treated fairly. Many years before he died, he gifted to each of them one-third of his shares in Dominion.

He was comfortable giving shares to his sons who were working in the business because he was confident that this would give them an incentive to steward the company for the future. Additionally, he wanted to make sure that Howard received his own reward for choosing to serve as a full-time pastor. Granddad actually felt that Howard had the more important job and that he shouldn't be disadvantaged by choosing to serve God and the



*Left to right: Clark, Howard, Bob and Charles Bentall (seated).*

church over the family business. Both Dad and Uncle Bob were in general agreement with this view, and therefore everyone was fine with the equal division of shares. In essence, given that the boys were all treated the same, ownership succession was accomplished quietly and without any controversy.

## OWNERSHIP TRANSFERRED WHILE THE ELDER GENERATION IS ALIVE

Many family business owners set up the formal transfer of the voting control of their business to the next generation to occur after they die. However, in our case, voting control was transferred from one generation (G1) to the next (G2) well before the first generation passed away. This permitted G2 to gain a significant amount of experience and learn the responsibilities of ownership while its members still had the mentorship of the elder generation. This was a definite plus and certainly contributed to the ongoing success of the business.

Notwithstanding this, if Granddad had been able to anticipate some of the challenges that lay ahead, he might have used this time to help his boys develop agreement on a shared vision for the future.

## CREATING A SHAREHOLDERS' AGREEMENT

To formalize the new ownership arrangements, Granddad asked Paul Daniels, a senior partner at the law firm of Lawrence and Shaw, to draft a shareholders' agreement that would "make sure the boys always remain together." He wanted to ensure that their co-ownership could not be dissolved, as sometimes happens in a family business after the founder passes away. Mr. Daniels did an

*Transferring ownership while the elder generation is still alive permits them to mentor their successors. This is much wiser than leaving successors to “learn to be owners” without any support or guidance.*

excellent job with his assignment (perhaps even too good a job). His legal work cemented the three brothers together in an agreement that would be impossible to break. Unfortunately, because Granddad assumed the boys would always remain together and collaborative, there was no mechanism in the documents to deal with potential disputes should they arise.

### DAD AND BOB WERE A GOOD TEAM

For over 40 years, my dad and his brother worked together as they led Dominion and its related companies. They each excelled in their complementary leadership roles. Dad was gregarious and outgoing, acting as “the outside guy,” networking and bringing in new business. Bob was more studious and methodical, serving as “the inside guy,” carefully tending to the myriad of details required in a growing organization. Two or more days a week they would have lunch together, usually with prospective clients or senior staff. In addition, they had a daily ritual of meeting in Dad’s office around 5:00 p.m. They would review the day’s activities and typically had a roll of drawings laid out before them, analyzing the latest design challenge on one of the company’s projects.

In addition to the two brothers, a strong management team developed around them as they expanded across Canada. The family company grew steadily and by the 1980s had developed into a fully integrated real estate enterprise known as The Bentall Group. The firm owned an impressive list of subsidiary companies:

**Dominion Construction** – now one of the ten largest construction firms in Canada, boasted offices in Vancouver, Calgary, Edmonton, Regina and Winnipeg.

**Domco Engineering** – had structural, electrical and mechanical engineers on staff and had developed the capacity to complete both conceptual designs and working drawings for major office and retail projects.

**Dominion Management** – offered leasing and property management services for several million square feet of commercial space across Western Canada.

**Bentall Properties** – had ownership in numerous completed projects, including office buildings, industrial parks and shopping centres, with a total leasable area in excess of two million square feet.

Smaller subsidiaries contributed to the fully-integrated services of The Bentall Group, including an interior design firm, a custom millwork manufacturing operation, an equipment leasing company, and an electrical and mechanical contractor.

### A NAME YOU COULD TRUST

Just as early customers trusted our granddad to seal a deal with a handshake, companies like Scott Paper, Northern Telecom (now Nortel), BC Tel (now Telus), Sauder Industries and Home Depot trusted the “Dominion Way.” Each of these firms decided, over many decades, to award to our firm virtually every project they built in Western Canada. Dominion Construction had such relationships of mutual trust with these clients that it could have served as a poster boy for author and motivational speaker Stephen M.R. Covey, who explains that virtually everything takes less time and costs less when there is a high level of trust.<sup>2</sup> The company became recognized as a leader in both construction and real estate development. It was also known across Canada for the way it conducted business, the way it treated its employees and the quality of its projects. In time, this reputation delivered real strategic advantages to the company. For example, a Dominion-built building typically sold for a 5% premium above prevailing prices in the market (maintenance and repair costs of these buildings were lower and consequently provided significant savings for their owners).

### A VISIONARY LEADER

Dad never studied business at university, but he was a keen reader, and his success was a reflection of the many business leaders he was able to meet through the pages of their biographies. He also had a particular interest in the development of office buildings. Several biographies about the Rockefeller family so intrigued him that he travelled to New York in the late 1950s just to view the Rockefeller Center. This amazing multi-building complex, with simple architecture, beautiful plazas and soothing fountains, inspired his vision for a similar project in Vancouver. As a result, land was acquired at the corner of Burrard and Pender, in the heart of downtown, and Bentall One was soon under construction. Boasting 21 stories, the building was completed in 1967.

The development of office towers remained Dad’s primary focus for the next 20 years, and the completion of The Bentall Centre was perhaps the crowning

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<sup>2</sup> Stephen M.R. Covey and Rebecca R. Merrill, *The Speed of Trust* (New York: New York Free Press, 2006), 13.

DAVID C. BENTALL

achievement of his remarkable career. Named after my grandfather, Charles, it now consists of five office towers, underground retail space and beautifully landscaped plazas, all in the heart of Vancouver's business district. Today, The Bentall Centre is one of the largest integrated office complexes in Western Canada.

By 1988, as Dad completed his 50th year with the family business, Dominion Construction had developed, and The Bentall Group now owned a portfolio of properties that comprised \$500 million in assets. With five regional offices across Western Canada, the company was voted one of the 100 best companies to work for in Canada.

CONCLUSION

When Granddad disembarked from the train in Vancouver in 1908, he could never have predicted how successful his career as a builder would be. The company he would establish over the next 40 years would be a testament to his character and his drive. When many years later he transferred ownership of the business to his three sons, family relationships were strong, as was the company. On the surface, at least, things in the Bentall family seemed about as good as it gets.



*From left to right: Bob, Howard and Charles Bentall, George Tsutakawa (sculptor of fountain for Bentall II Plaza) and Clark Bentall.*



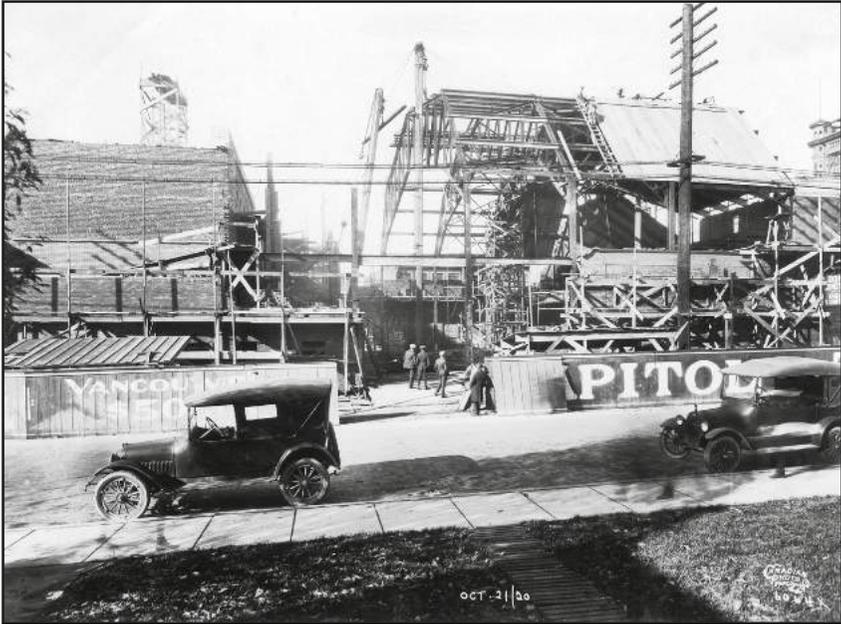
*Dominion Construction crew, Alberta sugar plant,  
Calgary, 1933.*



*Dominion Construction Co. Ltd, Barge  
and dredging equipment.*



*Yorkshire Trust Building, Vancouver,  
April 1913.*



*Capital Theatre, Vancouver,  
October 1920.*

*St. Regis Paper Co., Vancouver,  
April 1946.*



*Imperial Oil  
service station.*

*General Motors building, Calgary,  
1931 (Dominion's first real  
estate development,  
midst of Great Depression).*





*Bob and Charles Bentall, 1953.*

*Keats Island summer cottage, 1946 (Charles Bentall smiles celebrating the completion of construction in one day!).*



*Bob, Clark and Charles Bentall enjoying the latter's 90th birthday celebration.*



*Topping off ceremony, Bentall I (Frank Musson - architect, Bob, Clark and Charles Bentall), 1968.*



*Bentall II fountain unveiling (Charles Bentall and sculptor George Tsutakawa), 1969.*



*Sod turning ceremony for Bentall III (Bob Bentall on far left, Clark Bentall on far right), 1971.*