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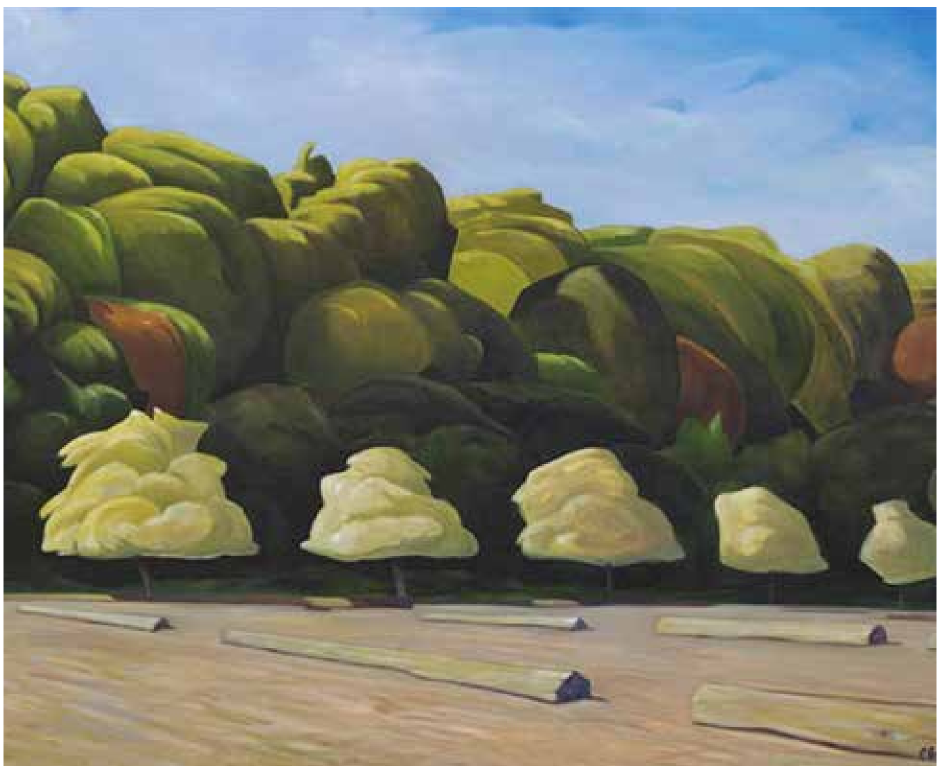
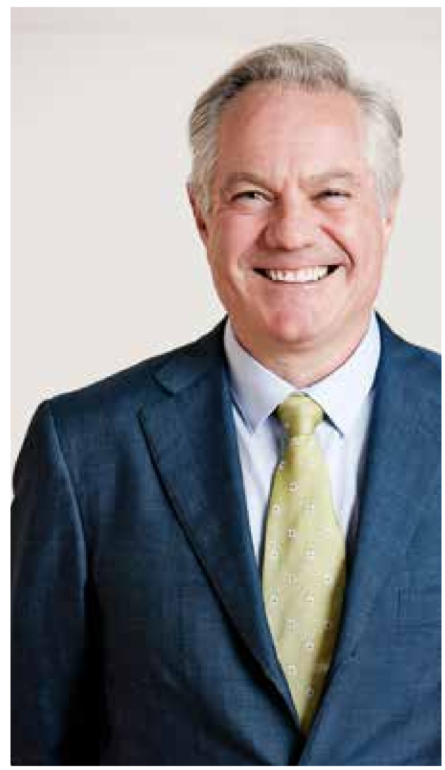
SAUDER School of Business
Business Families Centre

LegacyMatters

Vancouver's Family-Owned Heffel Gallery and Auction House Breaks Art Sale Records—and Rules



Spanish Banks –Ross Penhall



David Heffel

Courtesy of Heffel.com

Since becoming co-owners and operators of Vancouver's Heffel Gallery in 1987, David and Robert Heffel have been pioneers in the online art auction industry, holding some of the highest-valued fine art auctions in Canada. When they first began at Heffel following their father's death, 25-year-old David and 23-year-old Robert took the bold step of changing the focus of the gallery to include more contemporary art. In 1995 they began holding auctions, and a few years later they entered the nascent world of online auctioneering. Today, Heffel is Canada's national auction house, with more than $325 million in auction sales and galleries and offices in Vancouver, Toronto, Montreal, Ottawa and, soon, Calgary. As Heffel continues to grow, earlier this year international auction powerhouse Sotheby's pulled out of live Canadian auctions in order to focus

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on private sales, leaving the family-owned Canadian house without its most prestigious competitor.

Looking back on his first years in the fine art world, David admits that he and his brother may have looked like industry imposters to their distinguished clientele.

"I think very few people thought we were going to succeed," he said in an interview with Legacy Matters. "Even today people still call Robert and me 'the boys.' But we prefer to be seen as the underdogs. We still work hard, we still have things to prove and there are still more things to learn. The upside in this industry is that you never stop learning."

While the long-term viability of online auctions in the art industry is debatable, there are still technological tools that Heffel hasn't utilized. But David believes their propensity to be innovative was higher when they were younger, because they were simply more willing to take risks.

"There is still room for improvement in online auctions," he said. "But the maturity of the company is not unlike the maturity of a person. I see our company being more in its mid-life than early adolescence. Innovation for us now requires a greater degree of risk."

As kids, David and Robert grew up with well-respected works of Canadian art in their home, but they didn't expect to follow in their father's line of work. Now, with three teenaged children between them, David and Robert don't necessarily expect their kids to go into the business either. But they believe that appreciating art becomes a part of who we are as people.

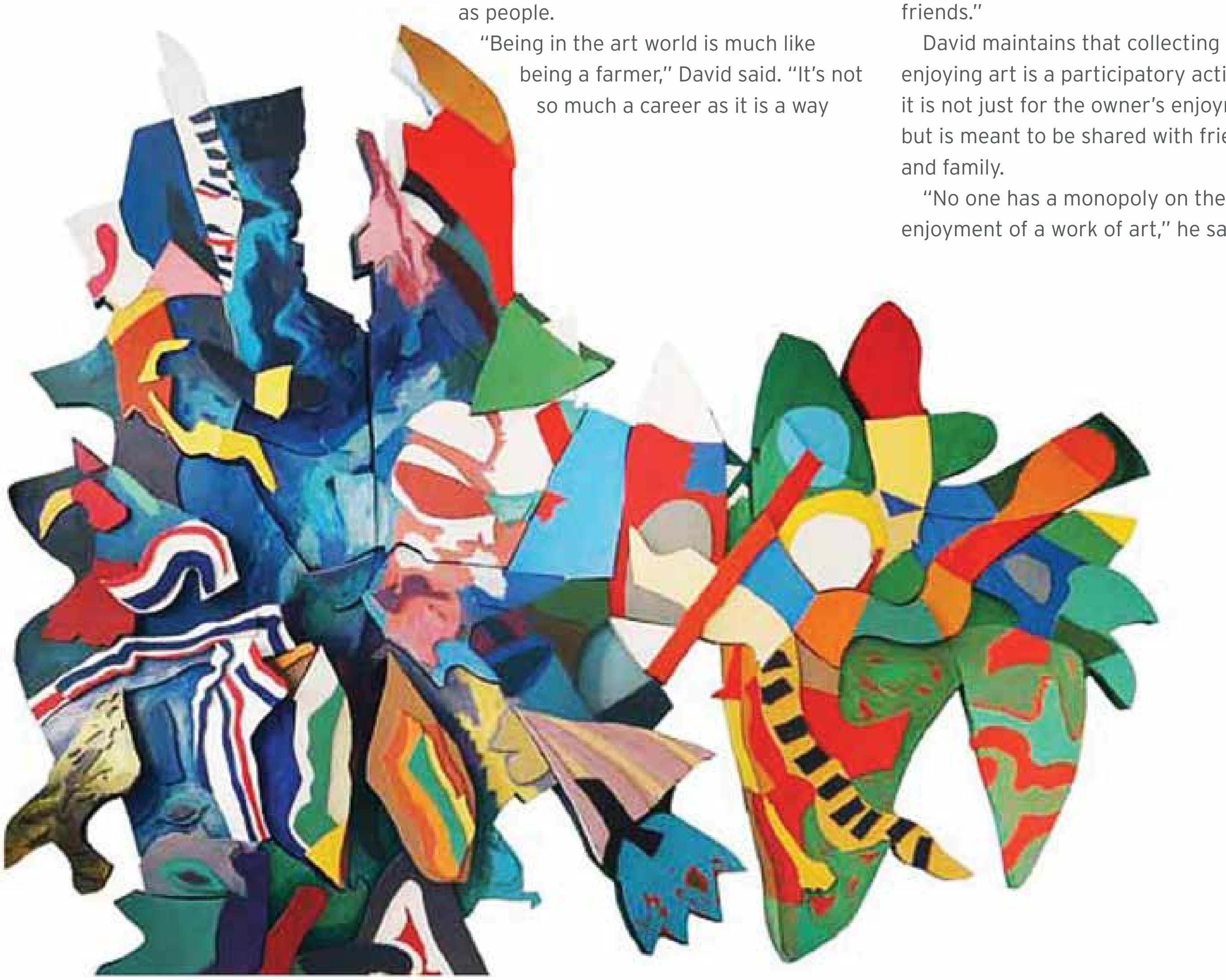
"Being in the art world is much like being a farmer," David said. "It's not so much a career as it is a way of life. My kids may not have a career in the business right now, but they are definitely a part of the way of life. When we travel and spend time in museums, it is becoming much more stimulating to them and their foundation base of knowledge is starting to expand."

David and Robert are fortunate to be able to occasionally see the valued works of art they grew up with, reminding them of the roots of their family business.

"Works of fine art will go through our business, by way of appraisal or sale, and they are like old friends to us," said David. "My boys will also have grown up with works in our house, so hopefully that will carry forward to future generations, so that 30 or 40 years from now, our family may not own those paintings but we'll keep enjoying and rediscovering them as old friends."

David maintains that collecting and enjoying art is a participatory activity; it is not just for the owner's enjoyment, but is meant to be shared with friends and family.

"No one has a monopoly on the enjoyment of a work of art," he said.



Courtesy of Heffel.com

Tree of Life –Jack Shadbolt

FAMILY LEGACY SERIES 2013

HOW THE GRAHAM FAMILY PROSPERED

Please join us on November 7, 2013 for the annual Family Legacy Series Gala Dinner, proudly presented by the Business Families Centre at UBC's Sauder School of Business.

This year the Business Families Centre presents an evening of personal insights from a multi-generational family-owned company, Graymont Ltd, the second-largest producer of chemical lime in North America.

Philip Graham, who served as a Director for fifty years and as Vice President, President & CEO, and Chairman along with Bill Dodge, a non-family executive who served as President & CEO of Graymont, will describe an unforgettable story of enduring top-level management and executives, loyal family owners, and remarkable growth. Our gala evening event celebrates the Graham family's success and indeed the success of all enterprising families.

NOVEMBER 7, 2013

The Westin Bayshore
1601 Bayshore Drive
Vancouver, B.C.

Individual Tickets: $ 325 + HST
Table of 10: $ 3,250 + HST

Reception at 5:30 PM
Dinner at 6:30 PM

Corporate sponsorship opportunities available.

For more information regarding the Family Legacy Series Gala Dinner, please contact the Business Families Centre by E-mail at **bfc@sauder.ubc.ca** or phone **604.822.0102**.

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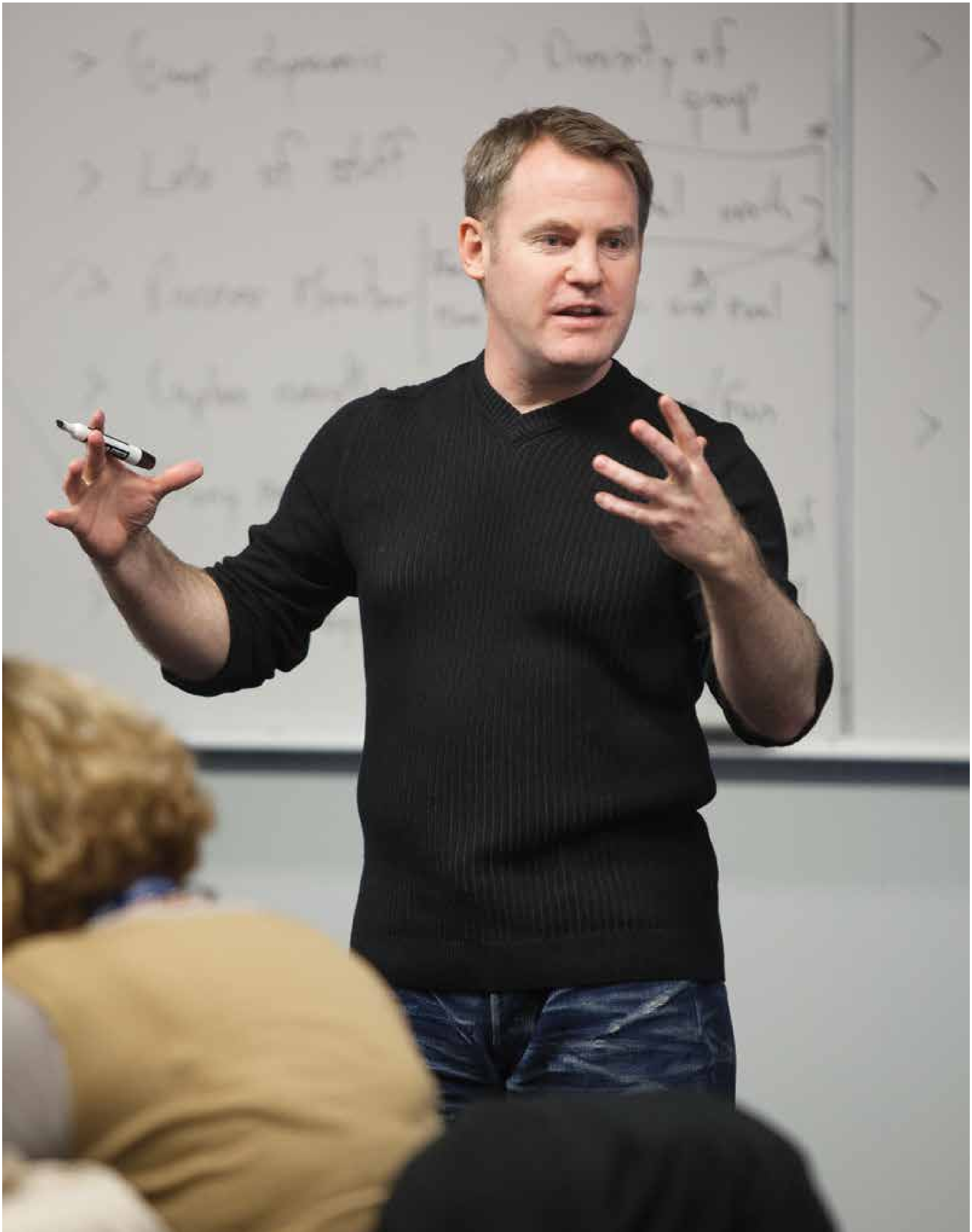

Business Families Centre Programs

Executive Education Programs

Meeting the Leadership Challenge

LAST REMAINING PLACES

"The best course I have ever taken in my life. Truly transformational." - **Steve Pelkey**
CEO of Universal Packaging.

This unique, six-day residential program for senior leaders will challenge you to define your personal values and leverage your leadership strengths. Learn new ways to inspire others towards top performance.

November 3 - 8, 2013

Fundamentals of Finance and Accounting for Non-Financial Managers
Develop a working knowledge of accounting and financial management. Apply basic financial techniques to remove the guesswork from your decision making, and integrate financial information with other business functions.

November 25 - 27, 2013

Integrated Management Program
This five-day course provides an integrated understanding of business: financial management, operations, performance management, marketing and strategy. Expand your skill set with applied exercises and gain a holistic view of managing increasingly complex organizations.

November 18 - 22, 2013

Strategy and Innovation
Strategy elevates good leaders to exceptional performers. Explore the latest strategic tools and frameworks and apply them directly to your business in this six-day intensive residential program. Learn how to foster innovation, capture its value for your organization and enhance the success of your strategic decisions.

November 24 - 29, 2013

Integrated Business Program for Lawyers
Legal professionals need to understand the business pressures facing their clients if they are to be truly effective partners. What are the key drivers of your clients' business strategies? How are they financed and how do they account for their activities? How can you help them develop innovative solutions to their most pressing business challenges? Learn critical insight into your clients' world and apply the best of our academic practice to your unique client relationships. Six evening sessions.

Starts: November 21, 2013

For further information about any of our executive education programs please contact:
Karalee De Boer at **604.822.8400** or **exec.ed@sauder.ubc.ca**,
or register online at **www.sauder.ubc.ca/programs/executive_education**.

Advisor Programs

Family Enterprise Advisor (FEA) Program

Become a Leader in Family Enterprise Advising

Families are becoming more discerning about the advisors they bring into their fold. Graduates of the Family Enterprise Advisor (FEA) Program put themselves ahead of the curve by being one step closer to receiving their professional FEA designation. The FEA Program not only puts you on the path to your professional accreditation—it also provides the world-leading business family advising education that can help you create lasting results for your business—and the families you serve. The FEA Program consists of 15 days in the classroom over the course of the year.

VANCOUVER: January 23, 2014
TORONTO: January 29, 2014

ACCEPTING APPLICATIONS NOW

Online: Business Family Fundamentals for Advisors
Learn about the fundamental interdependence of family, ownership and business issues that every family member—whether they are involved with a business, investments, a family office, or a family foundation—will inevitably face. Find out about tools that have been successful in addressing the dynamics around these issues.

Self-paced, approximately 15 hours

For further information about any of our advisor programs please call **Peter Cotterill** at **604.822.2790**.

Business Families Centre Programs (cont.)

Family Programs

Road Map
The Road Map Program provides a unique, safe and exciting opportunity for growth, discovery and affirmation of your family business and its future. It addresses the shortfall in business-family planning, enabling business families to remain healthy and successful over multiple generations. Participants in this intensive family enterprise weekend seminar come out of it with new business strategies, improved relationships and defined goals for the future.

The Road Map Program is a set of two weekend educational seminars designed with the goal of establishing a plan and charting a course of action for your family. It is led by experts in the field.

Road Map Part 1
VANCOUVER: February 28 - March 2, 2014

February 28: 4:00 pm to 9:00 pm
March 1 - 2: 9:00 am to 5:00 pm
Location: Metropolitan Hotel Vancouver
645 Howe Street, Vancouver, BC V6C 2Y9

Business Boards and Family Councils
Learn how to put leadership structures in place to support future growth as you gain insight into governance structures and processes needed to address the unique needs of the business and the family. Discover how to manage family dynamics, align family interests around wealth, business, and the future of the two. Understand the three main family leadership structures—the Board of Directors; the Family Council and the Ownership Council—and learn how to begin implementing them in this workshop-based program.

VANCOUVER: March 6 - 7, 2014
TORONTO: March 10 - 11, 2014

TOO BUSY TO ATTEND A CLASS? CHECK OUT OUR ONLINE OFFERINGS

Online: Business Family Fundamentals
Learn about the fundamental interdependence of family, ownership and business issues; the structures and procedures of a successful family enterprise; and some effective tools and techniques to manage the unique dynamics of family business.

Self-paced, approximately 5 hours

The Business Families Centre also offers custom programming for families who have more specialized needs, including alternative dates or geographic location. Please enquire about any of our family programs, including costs, early bird and group discounts, by calling **Mischa Ragona** at **604.827.4604**.

What are your business family experiences like? Click on the icons to join the conversation on twitter, Facebook or Linked In.

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