

voice of experience



The world according to John

Billionaire seafood baron insists that business, not government, must lead Atlantic Canada out of its economic malaise

Story by Stephen Kimber • Photo by Mike Tompkins

“The problem with doing profiles...” John Risley begins, and I realize I’ve already lost control of this particular interview before I even ask my first question. “I mean, look,” he continues, kindly enough, “this is your editorial licence, not mine.”

It had all seemed simple enough back in July 2013 during an editorial meeting in St. John’s. In 2014, *Atlantic Business Magazine* would celebrate its 25th anniversary – no mean feat in the publishing business anywhere these days – and editor Dawn Chafe and I were trying to figure out an appropriate editorial way to mark that milestone. I’m not sure which of us came up with the idea to profile a series of key Atlantic Canadian business makers and economy shakers, but we quickly agreed John Risley had to be one of them.

Risley, after all, is a member in good standing in *Canadian Business* magazine’s Top 100 Wealthiest Canadians, the billionaire co-founder of Clearwater Seafoods Inc., “one of North America’s largest vertically integrated seafood companies and the largest holder of shellfish licences and quotas in

Canada;” the driving force behind the evolution of Ocean Nutrition, the 16-year-old Nova Scotia-based company that had become the world’s largest producer of Omega-3 fatty acids by the time Risley sold it last year to Dutch-based Royal DSM for \$540 million; and a major investor in Columbus Communications, a 10-year-old Barbados-based company providing cable TV, digital video, high speed internet access, digital telephones and corporate data services in 42 countries in the Caribbean, Central and South America.

These days, Risley lives with his wife Judy in a 32,000-square-foot Georgian-style mansion on a 300-acre sweet spot of ocean-fronted land near idyllic Chester, N.S., that once belonged to the founder of Sunoco, the American petrochemical giant. When he needs to go somewhere, or just get

away from it all, he can hop aboard one of his small fleet of corporate aircraft or sail away in a luxurious 240-foot super-yacht “equipped with a helipad and a grand ‘country-house’-style interior.”

Even though he turned 65 last April, Risley shows no signs of slowing down. There’s this other business he tells me this morning he can’t talk about, a “small,” \$35–40 million investment he’s making, the details of which he hopes to be able to announce soon.

Not bad for a guy who got his start back in the 1970s peddling lobster from the back of a...

Oops.

“I don’t want to read another article,” Risley tells me, “that says my brother-in-law and I started selling lobsters off the back of a pickup truck.”

Uh...

In 1986, the first time I’d profiled a much younger Risley for *Canadian Business*, I wrote about those first pick-up-truck days back in the late sixties. “Each morning that summer, [Risley] drove his rented truck 250 km to Nova Scotia’s Northumberland shore fishing communities, dickered with fishermen at the wharves over the price of their day’s catch and then hustled back to the store in Bedford to sell his lobsters for slightly more than he had paid for them. Risley’s brother-in-law, Colin MacDonald, a medical student who had once worked as a plumber’s apprentice, agreed to help him launch his store. ‘Colin was lying under the tank fixing some pipes at three o’clock one morning,’ Risley recalls, ‘and he finally said, with more expletives than I’ll use, ‘Why in hell am I doing this?’ And I said, ‘Because you now have a 50 per cent interest in the business. That’s why.’ That was the foundation for our partnership. It’s still no more formal than that.”

Between then and as recently as last May, when the *Globe and Mail’s* Gordon Pitts pronounced Risley “as lean and hungry as 40 years ago when he and his brother-in-law Colin MacDonald were selling lobsters out of the back of a rented pickup on Halifax’s Bedford Highway”, journalists have traded shamelessly on that still compelling, still true, rags-to-riches tale.

“I don’t want to read that again,” Risley says flatly. “And I don’t think anyone else does either.”

OK, so what then?

We are sitting this morning in the Clearwater boardroom above a much-renovated and expanded fish retail store on Halifax’s Bedford Highway looking out on a spectacular view of Bedford Basin. Risley, greying, tousled-haired and dressed in an open-necked buttoned-down shirt and casual pants, still looks boyish, not to mention boyishly eager to stir things up.

“I think, and it’s just a suggestion to you and Dawn,” he says, “that, instead of doing a profile, you should get the perspective of six business leaders on the future of Atlantic Canada. I think that would be much more interesting...”

“This has traditionally been a region which has waited for government to lead and business followed. We have to come to grips with the fact government just isn’t capable of leading. I mean, look at the recent [Nova Scotia] election.

The Cliffs Notes version of John Risley’s personal take on the future of Atlantic Canada is that it’s long past time for business leaders to step up and do what governments can’t, won’t, or don’t want to do.

“This has traditionally been a region which has waited for government to lead and business followed,” he explains. “We have to come to grips with the fact government just isn’t capable of leading. I mean, look at the recent [Nova Scotia] election.” Nobody talked about the huge demographic problems this province faces. Nobody talked about health care spending that’s out of control. Nobody talked about the fact we have the worst P-12 education system in the country. That’s not subjective. We have the worst goddamn math scores in the country! Nobody talked about

the reality that we’re growing our economy at a lesser rate than we’re growing our expenses. Our balance sheet is getting worse – debt up by a billion dollars!

“The idea that the business community can sit back and say, ‘Oh, Premier A is gonna save us, or Premier B is gonna save us... Ain’t gonna happen! When was the last time we had that kind of leadership?’”

I mention Frank McKenna, the former New Brunswick premier who was a favourite of the business community. “Frank was a great thinker,” Risley admits. “He had the vision with the ability to sell it.”

But Risley is much less sanguine about the current crop of politicians he’s met. Darrell Dexter, the recently defeated NDP premier of Nova Scotia? “Get him in a corner and he knew what needed to be done, but he couldn’t embrace it because he couldn’t sell it.” Stephen McNeil, Dexter’s Liberal successor? Risley would rather not talk, on the record at least, about a man he could end up having business dealings with. But even if he turns out to be a McKenna in the making, there is the longer-term question. “Who takes their place? Frankly, it doesn’t matter because government generally doesn’t have the skill set, doesn’t have the horse sense to do what needs to be done.”

Which brings us to... business.

When you ask John Risley what business leaders should be doing, he points to 4Front, a recent series of private-sector-led annual conferences on the Atlantic economy.

Co-sponsored by BMO Financial Group and regional corporate law firm McInnes Cooper, and featuring a blue-chip advisory committee chaired by John Bragg and including such regional/global corporate heavyweights as John Irving, Rob and Don Sobey, Gerry Pond and, of course, John Risley, the three annual conferences put the spotlight on what Risley sees as fundamental dilemmas Atlantic Canada must face. From too many ivy-on-the-walls universities “in the face of the growing role of the internet and online education” to the “irreversible” depopulation of rural Atlantic Canada. “We still have a hugely disproportionate number of people in rural areas. How do we maintain infrastructure in rural

Atlantic Canada while we develop new infrastructure in urban Atlantic Canada and do it with no new money because the population hasn't changed?"

The key, of course, is to find ways to grow the economy. But that doesn't just require new capital, Risley argues. "There's a huge amount of activity around tech-based start-ups in urban areas. The community thinks all we need is capital, capital. All we have to do is throw money at these kids and everything will be OK. They're wrong... It's about mentorship, cultivation and support."

Business leaders, like those involved in 4Front, can help by mentoring new entrepreneurs so they don't make beginner mistakes, he says, and by providing the right resources at the right time so they can learn from senior business people who already know from experience, for example, how to set up a manufacturing operation in China.

"We can provide them with that support," Risley says.

But 4Front was about more than business helping other businesses. It was also about changing the future course of the region. The conferences were "designed to position Atlantic Canada as a leader in navigating the new economic landscape."

Led, of course, by business.

Consider education.

"On my property in Chester," Risley tells me, "I employ a lot of young people, maybe 15. They're making... I don't know what they're making, but let's say it's \$30,000 a year. These kids, with the right education, should be making \$100,000. Instead of riding lawnmowers or raking leaves, they should have a blowtorch in their hands, or be operating an excavator... I may have to pay more to get my leaves raked. But that's OK."

"The company I referred to" — the one Risley told me he couldn't tell me about — "it has 85-90 tradespeople earning \$150,000 a year each. And the company is desperate to find more people." Although the business is not currently based in Atlantic Canada, Risley says it will have a Nova Scotia

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division after he acquires it. "So could we start with the vocational schools? We'll say, 'look, here's the deal.' Let's go for a two-year program. We'll pay the students an honorarium, to show our seriousness and guarantee them a job if they successfully complete the program. Let's start with 20 kids each in Nova Scotia, New Brunswick and Newfoundland. That's 60 people. Say we hire half of them. That's 30 people a year we'd be putting to work at good wages. If we sit down with the vocational school and they say, 'Well, we don't have the budget,' or, 'We don't have the expertise,' then we sit down with government. My point is this: business," he says again, "has to take the lead."

What about running for political office himself, I wonder? He shakes his head. "You don't have to move into politics yourself," he says. It's a matter of using clout wisely. "When the universities come to people like me for donations, we have to start saying, 'Use your resources more wisely. Until you figure it out, we're not giving you our money.'"

Has he done that himself? (Risley has honorary degrees from Dalhousie University and the University of Prince Edward Island, has had a Dalhousie student residence named after him and was recently described in a *Globe and Mail* article as "a big donor" to Dalhousie.) "Those conversations are beginning to happen," he insists. "I'm becoming more interested in these questions as I get older. I have more time now than when I was 40. Then, it would be: 'Go away, don't bother me, I'm too busy.'"

Besides educating young people for jobs that need filling, Risley says Atlantic Canada desperately needs to up its immigration ante. "The politicians don't see it as a cause célèbre because the population at large doesn't see it. People think, 'Oh, immigration. They'll take our jobs. Why do we want them?' There's no understanding we absolutely have to have more people; we're in desperate need of people with skills at all levels."

The company he's planning to invest in (the one he can't talk about), is in a "sector poised for explosive growth. To work in this business, people will need robust technical training. And we won't be able to train them fast enough. So we need

to go to eastern Europe to get these people, and not on the basis of a work permit for six months. We need to bring them and their families here, provide them with language skills. We can't ostracize them because they speak with accents. We have to do more than accept" new immigrants, Risley argues. "We have to embrace them."

"[Darrell] Dexter asked me at one point, what sort of [immigration] quota do we need? Four thousand a year? Forty-five hundred?" He raises his voice. "We need 25,000 a year for the next... 10... years!" he shouts. "To make up for what we've lost [to out-migration], to keep pace with what demographics is doing to the population, to grow our economy."

"I could have done so much more, so much faster if I'd gone on and gotten a graduate degree, whether an MBA or a law degree, if somebody says I don't have to [get a degree] because Risley didn't... That's bullshit. Guys like me will tell you that was a big loss, a big mistake."

He stops. "Where will all these people work? Well, that's the point. Let the business community take care of that. But we need to throw the doors open. Skilled tradespeople? Anyone with a Master's degree? Let them all in. And then let the business community create the jobs."

Besides its own vested self-interest in developing a tailor-trained workforce for its own needs, Risley says business leaders need to "run block and tackle for the politicians" on such controversial issues as health care reform. "We've had no fundamental debate on health care because if politicians try to have that kind of debate, they come out with burned fingers. People worry about whether universality is going to be compromised... The unions complain..."

"So the business community is going to have to lead that debate. Frankly, the issue is access. We're not dealing with waiting times, and the numbers are going to get worse because the demographics are going to get worse. The data is not lying. The unions say we can't have a private system operating alongside the public system because all of the good people will go work in the private system... That's nonsense, quite frankly."

"My point is that business leaders have to stand up and take the flak on these issues. It's a tough one because not a lot of people want to step forward and take the heat." He stops, smiles. "I've never had that problem."

He doesn't.

It hasn't been easy, or necessary, to ask a question as Risley has led me on his whirlwind monologue of the future as envisioned by John Risley. But I do have a question or two.

For starters, how to reconcile Risley's current world view (about the importance of education, for example, in order to get his leaf-raking employees into skilled trades, or his call to open our doors to any immigrant with a Master's degree) with the reality that Risley himself dropped out of university short of his undergraduate degree with no training to speak of?

"I could have done so much more, so much faster if I'd gone on and gotten a graduate degree, whether an MBA or a law degree," he tells me. "I can't do anything about that but, if somebody says I don't have to [get a degree] because Risley didn't... That's bullshit. Guys like me will tell you that was a big loss, a big mistake."

And yet, because Risley and I are roughly the same age, both college dropouts, one slightly more successful than the other, I feel compelled to make the point that when we were at Dalhousie, there were 100 others who did get those law degrees and MBAs Risley speaks so admiringly about who never achieved even a fraction of the financial success Risley has.

Where did his entrepreneurial instinct come from if not from school?

"I don't know," he shrugs. "I remember when I was a kid, the

teacher would ask, 'what do you want to do when you grow up?' And I'd say 'I want to make a million dollars.' I'd get scoffed at ... ha, ha, chuckle ... and that would piss me off, frankly. It was, 'You watch!'

And now he's a billionaire, I say.

"Look," he replies seriously, "this is really important. Everyone judges material success and happiness... that old lotto ticket bullshit: win this money and you'll be happy for the rest of your life. Money and happiness have zero to do with each other. Frankly, I admire the guy who can check out of his job responsibility at four in the afternoon, go home and play with his kids, do their homework with them, go out with his buddies and play a hockey game... I never did."

"Do business guys have a lot of friends?" he asks rhetorically. "We know a lot of people but do we spend any time hanging out. I'm working. Is that an addiction? Or just that I like a challenge? Who knows?"

Is he happy? "Yeh, well, ah, you know, look, I'm healthy and I've got a lot of people working for me. I've got a lot to be happy for. But I can't make up for the fact I wasn't around for my children. I can't make up for the fact I have four grandchildren and I don't see enough of them... I like to work. I work all the time. *The bloody computer!* Now, even when I take a vacation, half of every goddamn day I'm working. I'm not happy about that, but..." he laughs. "I don't know what to do. It is a kind of addiction."

So too is Atlantic Canada.

As frustrated as he may be with some of what he sees around him, "I'm not ambivalent about it. All Atlantic Canadians live here because we love it. But because you love it, you want better for it."

Is he optimistic? "I'm naturally optimistic," he says. "I'm here and I'm not prepared to give up and go lie on a beach in the Caribbean and read about it. I'm not going anywhere."

John Risley certainly hasn't done badly for a guy who started his business career selling lobsters from the back of... •

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