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Donald A. Wheaton

Wheaton Group

Big companies often start in very small places. The Wheaton Group began in a small town called Porcupine Plain in the middle of Canada, and today is one of the biggest car dealership groups in the entire country. Founded by Donald Wheaton Sr. in the 1950s, the group is now controlled by the second generation of the Wheaton family, with Donald A. Wheaton as its President and CEO. A strong set of values, combined with innovation and diversification into other sectors, has created one of Canada's outstanding family businesses.





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Donald A. Wheaton,
President and CEO,
Wheaton Group

If you are buying a car in Western Canada, the chances are you have come across one of the Wheaton dealerships. The Wheaton Group is one of the biggest auto retailers in the country and is particularly prominent in the provinces of Alberta, British Columbia and Saskatchewan, with 19 dealerships in all. It is a highly successful family business, overseen by second-generation family member Donald A. Wheaton, the group's President and CEO.

Wheaton Group is based in Edmonton, Alberta, and sells a host of big automaker brands such as GMC, Cadillac, Buick, Chevrolet, Honda, Toyota, Kia and Mercedes. The Wheaton family also owns an insurance group, which is branded under the name First Canadian Group of Companies. These companies have become Canada's largest credit life and disability insurance provider in the automotive space. In addition to this, the family owns General Bank of Canada, which is involved in commercial lending across the country. The Wheaton Group of Companies, of which Donald is President, is the umbrella group for all these businesses, and it also oversees the family's interests in aviation, retailing and property.

The Wheaton family business story began in the 1950s when Donald's father, Don Sr., became Partner in a general store in Porcupine Plain, Saskatchewan. In 1955, he became part owner of a General Motors (GM) dealership in the town and, a year later, its sole owner. Seeing Don Sr. was good at his job, GM moved him to Edmonton, where he opened Don Wheaton Chev Olds on Whyte Avenue, which is still a Wheaton dealership today. Don Sr. and his wife had eight children, and most of them followed their father into the automotive business, including Donald. "I grew up with the business and worked through many of my summers when I was at school," he says. "My father took eight of his kids to work with him at the dealership. The business became, in many ways, our lives."

Many shareholders

After university, Donald joined Wheaton full time, linking up with three of his siblings who already worked there. Today, all eight children of Don Sr. are shareholders in the business. In the mid-1980s, Don Sr. and the second generation created First Canadian Insurance Corporate to offer insurance to car buyers. And in 2005, the Wheaton family set up General Bank of Canada. "Our first loan was made in July 2005,"



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01 The 1980s General Motors Dealership in Vancouver; **02** Marion R. Wheaton, matriarch of the Wheaton family, pictured in 1962.

says Donald. General is now the only privately controlled bank in Canada, with a sales force spread across the country from British Columbia to Ontario.

As the business has grown, and more family members have come into the Wheaton Group of Companies, there is a greater need for robust family and corporate structures, says Donald. There are now 34 members of the third generation, and Donald's son Don Wheaton III is among a group of them currently employed in the family business. "One of the things we have been working on over the last seven years has been the transition to the third generation. And, through this process, we have realized that bringing in the next generation was all about good family governance," says Donald.

Up until recently, Donald and his seven siblings were all shareholders in the one company. That meant no one could do a deal without the agreement of all the others, says Donald. But, in an effort to allow for more autonomy and improve family governance, eight separate family units have now been created, with each of the members of the second generation responsible for their own unit. "We have created the units so that we can empower each of our siblings to make it attractive to bring their children into the business," says Donald. "Each of our eight units is a separate business." Donald adds that the eight-units idea was designed to create family harmony. "We wanted to get away from the prospect of picking winners and losers. If a member of the next generation wants to come into the family business, they partner with their parent, not me."

All of the eight family groups are voting shareholders in the corporate group, says Donald. But, in order to avoid 34 members of the third generation discussing the strategic direction of the business on the board, each of the eight family units, at their sole discretion, selects 1 member to represent them at board level, fully authorized to exercise all powers as if an individual shareholder of the corporation. "This means the overall board for the group will remain at eight family members. I think we have got this part of the business model solved for at least another generation."



Advertisement for Don Sr.'s first General Motors dealership in Porcupine Plain, Saskatchewan.



Don Sr. pictured in 1985 when he was Chairman of the United Way Campaign.



Don Sr. and Marion R. Wheaton pictured on their 50th wedding anniversary in 1998.



The grand opening of the Larwood Shaw Memorial Pool project initiated by the Wheaton family and named after Don Sr.'s original business partners.



The General Motors dealership lot in Saskatchewan.

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Autonomous cars

Donald and the Wheaton family might have sorted their family governance issues for the next 50 years, but what about the business side? How is a group of companies predominantly based on the automobile going to adapt to the industry's huge upcoming challenges, such as self-driving cars? “We have to ask questions such as, ‘Who’s going to insure cars when the cars don’t need drivers any more?’ and ‘How will customers view cars in the future – will the car drive to them?’” he says. “We are constantly looking at how our marketplace is changing and how we can stay ahead.” But if the past is any guide, having seen the family diversify very successfully into other sectors, there would appear to be no shortage of entrepreneurial skills to take them forward.

One thing is for sure: the Wheaton family is likely to get a lot of support from stakeholders in the community. Across three generations, the family been big contributors to the United Way campaigns in Canada, which help to improve the lives of individuals in their community. “My father always said that, out of every eight-hour work day, one hour was always to be spent giving back to the community,” says Donald. “He passed on to our generation the obligation to carry on that support, and we are passing that on to the next generation.”

With its strong set of values and governance structures, the Wheaton Group of Companies is well set to prosper as a family business for many years to come. And as the third generation take their place at the helm of the various Wheaton businesses, they can draw plenty of inspiration from the two generations that preceded them. That is a pretty good legacy for the two Donalds to look back on.



Donald Sr. and his sons at his induction into the Junior Achievement Alberta Business Hall of Fame.

Donald A. Wheaton

President and CEO

Company name: **Wheaton Group**

Generations: **Second and third**

Founded: **1950 in Saskatchewan, Canada**

Industries: **Automotive, financial services, aviation and real estate**

Employees (2016): **More than 2,000**

Revenue (2016): **CA\$1b**