ED WALLACE

My Old Boss

BY ED WALLACE SEPTEMBER 25, 2020 12:00 AM







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I spent a short period of my career in RV manufacturing. It was an accident; I was between jobs when a friend called about a Dallas dealer who had the franchise to sell the Neonex Leisure Husky truck. At the time it was the first one-ton Dodge Van Cutaway chassis to be turned into a pickup truck. Clever idea, but poorly executed. I spoke with the dealer, who had failed to sell his first one — much less set up a distribution chain for them — and for the price he offered I had all of his inventory sold within a couple of weeks by setting up dealerships. Dealer never paid me; but in the end it worked out anyway.

Within a day or two Tony Bell, then running Neonex Leisure, asked me out to their factory in City of Industry, Calif., and offered me a job with the company. Bell claimed a background in the movie industry, suggesting he was a former producer, used the cult classic Mondo Cane as his most famous credit, and said he owned the publishing rights to its theme song, "More." I have never seen any proof that any of that was true. Still, he had a beautiful home nearby and a 47-foot sailboat in Newport Beach that we all helped him restore on the weekends. Its stall was next to John Wayne's former mine sweeper.

At the time Neonex Leisure was the darling of the RV media press, because they'd created that van-truck and the 55-foot-long fifth-wheel trailer that was sold along with the Husky; the combination was known as the Arctic Sun. Still, when I showed up I had a long list of improvements the vehicle needed. First, they had connected the fiberglass bed of the Husky to the fiberglass passenger cab. I pointed out that it was necessary

to separate the two, as pickup trucks do, or the vehicle's frame would on rough road conditions twist, which would split the fiberglass.

Second, the backseat unit was poorly made. And third, the unit's dual rear wheels didn't have splash guards, which many states required so that items like bricks couldn't get caught up between two rear wheels and be shot out the back like a bullet into anything following. Also, the fiberglass work was second-rate at best; and the pickup's size and towing capability meant it needed Class C forward roof lights to be legal. Bell immediately said that's why he wanted me on board, to make sure they were compliant and sold the best merchandise.

In the end, it was a fight to get most changes made. That's because that was the only place in my career where everyone sat around all day waiting for customers to call them. The one worker was our designer, Jess Pena; he was so incredibly talented that I can't imagine how General Motors ever let this kid get away.

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In spite of the issues, I learned franchise laws in America and how manufacturing really works, particularly how high factory utilization rates bring costs down quickly. As our CFO told us at every meeting, if you build just one RV each week it costs \$250,000 to make; build 200 of them and we hit the \$39,000 cost per unit we need.

So we were all off to the Louisville RV Show, which at the time was one of the key places to sign up new dealers. Again, Tony was there, as were our national sales manager and our head of production, and they all sat around telling each other how great our product was. I was actually talking to potential dealers about our products; and in the first two days I signed up seven. And that day the owner of Neonex Leisure showed up in his private jet to see how things were going. His name was Jim Pattison; and, having started just 17 years earlier with his first new car dealership, he was already one of the richest men in Canada.

As it was explained to me, Pattison had parlayed that dealership into a string of new car dealerships across Canada, one of, if not the largest chain of supermarkets in that country, and the manufacturing of both mobile homes and RVs. Almost immediately one realized just what an incredible person Jim Pattison really is. He was like a friend in the office, in that he put on no airs at all. He must have spent an hour with me discussing what RV dealers liked about our product and what they thought could be improved. The last thing he asked me was, how do you figure you've signed up seven new dealers here and the rest haven't signed up anyone? I smiled and said something about manic energy and wanting to make a good first impression. But in that conversation the best first impression made was Jim Pattison's. Only at that moment did I realize I was standing in the presence of greatness.

Of course, the Second Energy Crisis in the third week of April of 1979 shut it all down. But the knowledge I gained during that period of how manufacturing really works was invaluable. Over a decade later, when Honda Finance hired someone out of Canada to work their approval desk in Irving, suddenly it was almost impossible to get an approval even on someone with fairly good credit. One day, while talking over some of his rejections, he mentioned that our car buyers just weren't as credit worthy as the ones he'd had at the Royal Bank of Canada. I said, you know, I used to work for Jim Pattison — and that one statement changed our relationship as long as I was in the industry. You see, you might not know who Jim Pattison is, but to Canadians he is their Warren Buffett. Oh, and I believe he was a board member of that bank.

Pattison is still in business today at 92 years of age; he still goes to his office every day, although with the coronavirus most of the desks there are empty. He still gets into his truck every year and drives to every one of his dealerships and supermarkets, where he meets his employees face to face and talks to them one on one, just as he did me in Louisville. He is concerned about two things. One, he's worried he can't make the next Trans-Canada road trip if the coronavirus pandemic doesn't clear. Second, Pattison has become extremely worried about the planet. Recently Bloomberg's Natalie Pearson started off an interview of him by pointing out that Pattison had bought four more car dealerships just over the summer. But she also asked

Pattison about the future of business after the pandemic. He's concerned about airlines — he once owned Air BC of Canada — and downtown hotels, and he believes the restaurant industry will never be the same again. He owns the Canadian franchise for the Great Wolf Lodges, and before the pandemic he said that he would have been wise to put all of his money into that business; now, he's not so sure. But his quote about the future of business was slightly unnerving. "We have got to focus on the environment, the environment, the environment. Anything that is negative, [a business] in my opinion, to do with the environment is going out of business sooner or later."

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I know this man; I've talked with him numerous times and followed his career since I left. He is not given to hyperbole; he doesn't overstate anything. He doesn't brag, doesn't condemn, and is so composed you know he's that guy who fears nothing. And you hang on every word he says because it's well thought out before he says it and you want to make sure you get his message right. He has controlling interest in Canfor Corp., a lumber business, so he talks about how the pine beetle is decimating British Columbia's lumber industry. He now owns 700 boats in his fishing business, yet discusses how much harder it is to find fish in many regions due to the changes in ocean temperature. This man isn't the head of the local Greenpeace Vancouver Chapter, but one of the most successful and intelligent businessmen in North America. He's not a reactionary, either; he's always looking years ahead on business that can grow. That may explain why he started walking away from the RV industry decades ago — likely because it's so susceptible to recessions and fuel prices.

Two weekends ago he drove a new Toyota hydrogen fuel-celled car through the mountains around British Columbia. He ended up raving about that car.

Asked about companies he will acquire in the future, Pattison answers, "It is absolutely the number one thing that we have on our list when we're looking at buying something — how does this affect the environment?" This from a man who once owned the company that made the largest fifth-wheel trailer in America, 55 feet in length.

It was nice to read about my former employer discussing how businesses need to be smart about their directions moving forward — and without one word about politics, elections, or political leanings. In today's environment, that reserved civility is the one thing I miss most about having once worked for a Canadian.

Ed Wallace is a recipient of the Gerald R. Loeb Award for business journalism, bestowed by the Anderson School of Business at UCLA, and hosts the top-rated talk show, Wheels, 8:00 to 1:00 Saturdays on 570 KLIF AM. Email: edwallace570@gmail.com

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BY ED WALLACE FEBRUARY 12, 2021 12:00 AM









It never occurred to me that one day I might be at a loss for words, but here we are. This will be my last column for the Fort Worth *Star-Telegram* after nearly 20 years, almost 1,000 columns and of those only six were rejected. Those numbers meant a great deal to me; they showed the *Star-Telegram* and staff believed in my work, even when they probably weren't crazy about the column they were about to publish.

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