

The Hass Report



Wealth Management
Dominion Securities

A Newsletter for the friends and clients of Shawn Hass & Dustin Leniuk

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Hass Wealth
of RBC Dominion Securities



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Simple Business Models

I'm a big believer in the idea that simple beats complex, so I'm always on the lookout for examples of this in the business world.

I love the back story on Five Guys, the fast casual burger place. On the Five Guys' website, founder Jerry Murrell says his mother always told him, "If you can give a good haircut or if you can serve a good drink at a bar or if you can serve a good hamburger, you can always make money in America."

Murrell says all he knew how to do was cook a potato and a good hamburger so he used this knowledge to start Five Guys with his children in the 1980s. What started out as a tiny carry-out burger joint in Arlington, Virginia has blossomed into thousands of Five Guys all around the world.

Murrell did this with no advertising, charging 3-4x as much as McDonald's for a higher quality product and keeping things extremely simple on the menu. Murrell was surprised his idea was able to catch on so fast with others when his sons wanted to franchise the brand. He told Guy Raz he was sure his business model was too simple for most people:

First of all, when you tell a franchisee you're not going to worry about food costs — that sounds pretty stupid. You're gonna tell a franchisee that you're not gonna advertise? That sounds pretty stupid. You're gonna tell 'em that you're only gonna sell hamburgers and french fries?

They're all gonna say, "Wait a minute — we gotta be open later, we gotta sell alcohol, we gotta watch food costs, we gotta shop around for our products."

I said, "I don't do that. We buy from people and we're gonna stick with 'em."

That was all hard to sell to franchisees.

Keeping things simple was a hard sell but it worked because he stuck to his guns and created a quality product (I can vouch for this as I'm a frequent eater of Five Guys).

Patagonia's Yvon Chouinard was another accidental business leader who likes to keep things simple while eschewing complexity. He told Raz how fly fishing describes his personal business philosophy:

The more you know the less you need. I've been fly fishing with one fly, one type of fly in different sizes. And I've limited myself to that for a whole year and I've caught more fish than I've ever caught in my life. I realized that all of these hundreds of thousands of different fly patterns and different colors and shapes and everything are totally unnecessary. You can replace all of that with knowledge and technique. And it's a good lesson for me. The hardest thing in the world is to simplify your life because everything pulls you to be more and more complex.

Communicating your mission statement or philosophy in as few words as possible is a good first step towards simplifying your process. It's something most individuals, business leaders or firms probably can't do successfully.

I've always liked Amazon's corporate mission statement, which Jeff Bezos has stated as, "Our vision is to be earth's most customer-centric company; to build a place where people can come to find and discover anything they might want to buy online."

Implementing any sort of simplified mission statement or business model is hard because simple doesn't mean easy. You could make the argument that executing a simple business plan is probably harder than a complex one. As Jerry Murrell says, most people assume simplicity sounds pretty stupid. Plenty of people or firms can come up with simple ideas but selling them to everyone involved takes talent.

It's cliché but the devil is in the details.

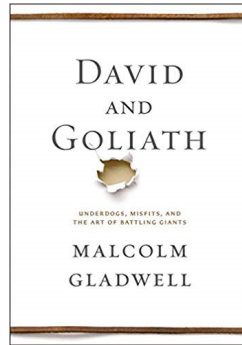
Bezos also said, "We are stubborn on the vision. We are flexible on the details."

That's another good idea that's simple but never easy.

A Book, an App & a Website

Book: David & Goliath by Malcolm Gladwell

In David and Goliath, Malcolm Gladwell challenges how we think about obstacles and disadvantages, offering a new interpretation of what it means to be discriminated against, or cope with dyslexia, or lose a parent, or attend a mediocre school, or suffer from any number of other apparent setbacks.



Gladwell begins with the real story of what happened between the giant and the shepherd boy those many years ago. From there, David and Goliath examines Northern Ireland's Troubles, the minds of cancer researchers and civil rights leaders, murder and the high

costs of revenge, and the dynamics of successful and unsuccessful classrooms---all to demonstrate how much of what is beautiful and important in the world arises from what looks like suffering and adversity.

App: MileIQ

Put your mileage on autopilot and let your phone track your trips and have your mileage documentation ready to hand-over at any time. This app tracks, classifies and allows for reporting!



Website: <https://www.snopes.com/>

Do you believe that fingernails and hair continue to grow after death? Check out if this is true, along with thousands of other urban folklore out there.



Community

With all the press and conversation focused on Lethbridge's current injection site controversy we wanted to highlight our support of one of the most successful drug and alcohol recovery programs in the world.

Teen Challenge is a 12-month, faith-based, residential alcohol and drug addiction rehabilitation program with centers located across Canada.



Nestled in the foothills of the Rocky Mountains on 43 acres of pine forest and prairie, the Alberta Teen Challenge residence has the capacity for 12 students and 6 men in their Phase4 program where graduates can deepen their recovery, gain valuable work experience and further plan their transition back into society.

They operate under 5 main principles;

1. We Are Christian - We believe that God is the catalyst

for change for people with life-controlling drug and alcohol problems.

2. We Are Committed To The Addict - We believe that a balance of love, accountability and training are required to prepare the individual for successful re-entry into society.

3. We Value People - Our students, donors, staff, volunteers, churches, board members and advisory councils

are appreciated and worthy of respect and honor.

4. We Are Stewards - We are committed to managing wisely all resources entrusted to us, recognizing that we are ultimately accountable to God.

5. There Is Hope - Life-controlling addictions can be permanently overcome!

Visit us online at:

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Signs around town...



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