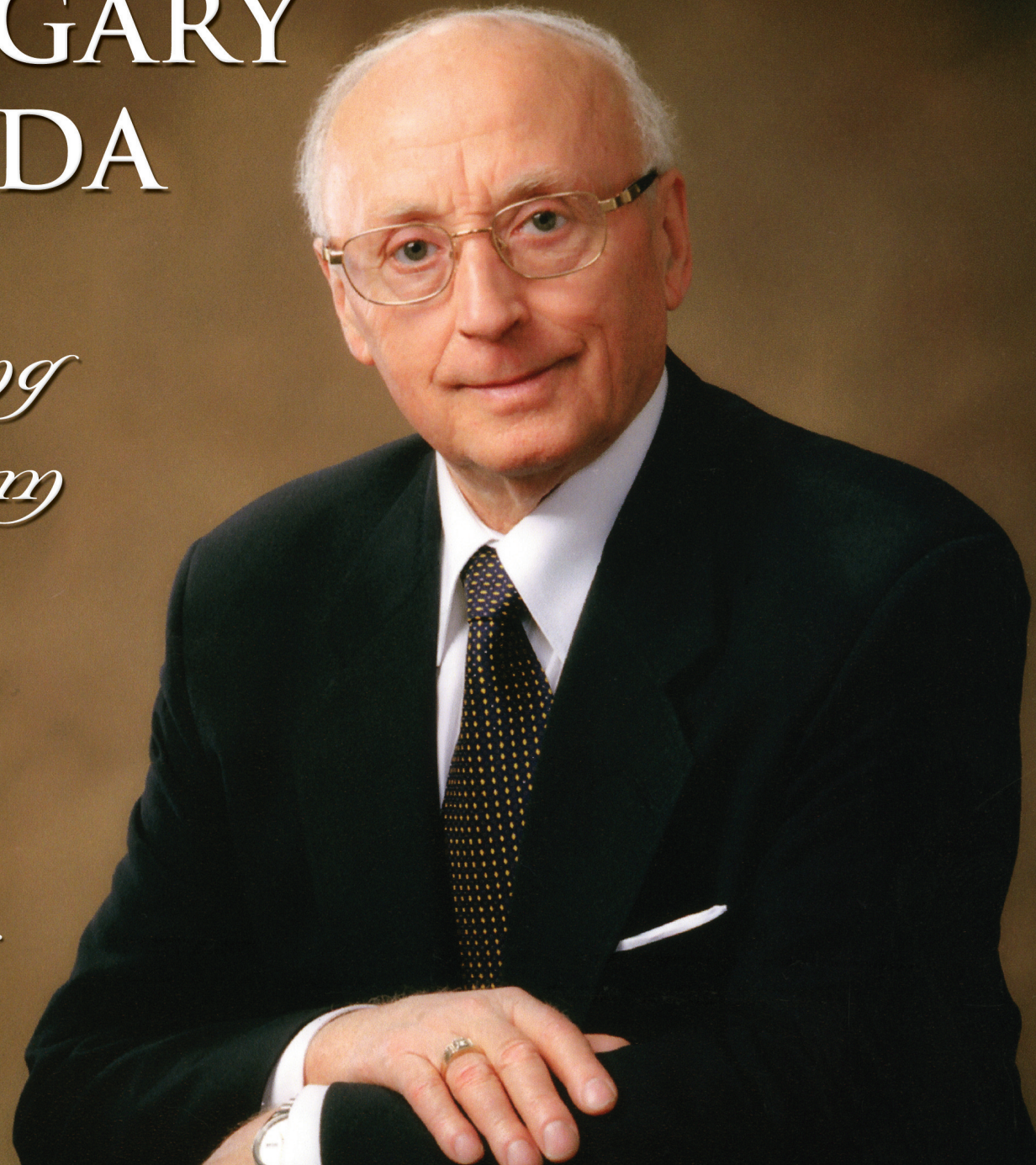


FROM HUNGARY TO CANADA

*The Building
of My Dream*

JOHN HEFFNER

WITH DR. ULRICH FRISSE, LL.M.



FROM HUNGARY TO CANADA:

The Building of My Dream

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CHAPTER ELEVEN:

The Breithaupt Street Garage



Brethorst Street
GARAGE
CARBURETOR & ELECTRICAL SERVICE
BRAKE & TUNE-UP SERVICE
MOTOR & TRANSMISSION OVERHAUL
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FROM HUNGARY TO CANADA: THE BUILDING OF MY DREAM

officially open my own car repair shop on Breithaupt Street. Among my earlier customers from Otto Street there was a bricklayer, a carpenter, a roofer and an electrician. Utilizing their combined skills, I built a two-bay garage, which in actuality was nothing more than walls with a roof and doors and a stove inside for heat. Because I did not have a hoist, I dug out a hole in the floor, as I had done in the previous location, to be able to get underneath the cars. Construction on the building was completed over the summer and on September 1st, 1960 the sign went up by the street: The Breithaupt Street Garage. That is how I started out. The driveway was still gravel, but I was finally in business!

Although the garage was located on a lot that was zoned industrial, we still had neighbours that were not happy with the fact that I was operating a garage in their immediate vicinity. There was a house next door to the

right, an apartment on the left hand side (at the corner of Margaret Avenue and Breithaupt Street) as well as two houses on Margaret Avenue that were backing onto the garage. Margaret Avenue was zoned residential and the line between the two zones ran straight down in-between our two properties. Since my business was in full compliance with zoning by-laws, there was nothing the neighbours could do about it.

Mary was pregnant with our second son, Willy, throughout that busy summer of 1960. When Willy was born on October 7th, 1960, I was overjoyed and proud as we welcomed the latest addition to our family. With two boys, our family was finally complete. While I was busy renovating our new home and constructing the garage for my car repair business, my family was equally busy settling into our new home. As noted previously, we shared the Breithaupt Street residence with my mother and in-laws. For us it was a natural thing to do. We had always lived together and as immigrants to this country we clearly benefited from pooling our resources, both financially and in terms of maintaining a close family support system. Although it was not always easy having three generations living under the same roof, having my mother and mother-in-law live in the same house as us was of great benefit to Mary and I. My mother-in-law was always at home during the day, looking after the cooking, washing and gardening, while Mary tended to raising our two sons, John Junior and Willy, as well as to her dressmaking and design business. She had started her own business in September 1958 after the Hungarian seamstress she had worked for became ill. When my Mom came home from her full-time job at the Kitchener-Waterloo Hospital, my Mother-in-law went out to clean two commercial properties each night. On Saturdays she also cleaned a private residence. My mother and my in-laws also looked after the garden of our Breithaupt Street property. All of us worked very hard to build our future in our adopted homeland.



My first garage at 216 Breithaupt Street



THE BREITHAUPT STREET GARAGE

Looking back, we could not have chosen a better location for the garage. As soon as the sign was up, I was instantly busy. There were many factories in the neighbourhood, such as Electrohome, Krug Furniture, and many others. A lot of new business was drawn by the sign on the street, as workers from the neighbouring factories stopped on their way to or from work to acquire my services. I was also able to maintain many of those clients I had been working for on the side in the past. My membership in the German-speaking congregation at St. Mary's Church, in the Hungarian Club and the Schwaben Club further helped spread the word that I had opened a garage. Due to my fluency in Hungarian and German and my growing comfort in the English language as well, I was able to cater to both ethnic communities and to the larger local market. By the time I had opened the Breithaupt Street Garage, my English was



The progression of the Breithaupt Street Garage

already so proficient that I could easily write up a work order. Practically every day I had new customers coming in from the nearby factories. "Can you do the muffler on my car?" or "What about tune-ups?" were among the questions I most commonly heard when people entered our premises for the first time. Because of my low overhead costs, I was able to work at a highly competitive rate. I quickly established a reputation and it was not long before I had to open the shop at seven a.m. to be available to customers on their way to the morning shift in the nearby factories.

As the business kept growing and I could not keep up with the volume all by myself any longer, I hired my father-in-law. Since I needed someone to support me anyway, it made a lot of sense to me to train him. After leaving his job at Braun's, he began doing oil and tire changes at the garage, which freed me up to focus on the tune-ups. My customers just loved my father-in-law, Sebastian, who always had a good word for everyone. Since he spoke perfect Yugoslavian and was comfortable in Polish as well, he was able to joke around with our Yugoslav and Polish customers in their native language. Mary's grandfather, Stefan Roth, whose letters from Canada had planted the dream that had become a reality for me, visited us at work quite frequently in those early days. My little two-bay garage got so busy that within two months of opening I had to hire two mechanics. Even with the additional support, we were still working on big engine jobs from eight o'clock in the evening until midnight.

The first mechanic I hired for the Breithaupt garage -John Karagity- had been my apprentice at the government-run agricultural establishment back in Hungary. He had fled to Belgium a year prior to the Hungarian revolution. We had kept corresponding and I had told him that if he came over to Canada, I would give him work as a mechanic as soon as I opened my own business. He in fact immigrated to Canada,



worked in the nickel mines up north for a while, and by the time I needed him, he was ready to get on board. We sometimes worked on repairs until three o'clock in the morning together. As more and more people relied on my availability, I eventually decided to provide 24-hour towing service. When cars broke down or did not start I went out with a tow truck and pulled the vehicles in for servicing. I will never forget one bitterly cold February morning when there were fifty-four calls from customers whose cars did not start due to the temperature.

I tried to be as comprehensive as possible in the services I offered at the garage. Our specialty areas were engines, standard transmissions, clutches, brakes, carburetors, electrical work as well as exhausts. As the business continued to develop, there was never time for me to be idle. By 1962, I was interviewing people. When I hired new staff I always knew right away from their answers whether they would be able to do the job I needed them for. I found that people are usually very honest about their skills. Back in those days, most cars we worked on had standard transmissions; automatic transmissions which have become so common these days were still rather rare. Because there were only few mechanics who had the skills and experience to repair automatic transmissions, I sent automatic vehicles that needed work to a specialty automatic transmission shop to have them repaired there.

Determined to succeed, I was working fourteen to sixteen hours a day. When I came home after such long days, I fell into bed exhausted but happy. Not only did I want to succeed, I strongly felt I *needed* to succeed in my business venture. At no time throughout my long career in the car repair and sales business did I ever forget that I had left my native country to prove myself in Canada. The economic pressure I felt was immense. Everything we acquired as the business continued to grow we bought with mortgages and loans from friends and family. Because I was not only using my own resources, but also money that had been

given to me in good trust by my in-laws and my Mom, failure was simply not an option. For me as a European immigrant with no previous experience in running a business, the debt load we carried in Canada was a completely foreign weight on my shoulders. I was fiercely determined to be an excellent provider for my family and I was willing to do whatever was necessary to achieve that goal.

Knowing that the whole family was in this together made me persevere in the end. Mary shared my drive for success and she never gave me a hard time for working such long hours and for not being more available to the family. As a matter of fact, she was working as hard as I was while we were in the process of establishing ourselves and our family in our adopted home country. When in the fall of 1959 the seamstress she had been working for had passed away, Mary had taken over a lot of her clients. It was not unusual for my wife to be sewing for her customers late into the night. All of us — Mary, my Mom, my in-laws and I — worked together towards our common goal. With all of us sharing the belief that the business would be a great success we pooled our income to pay the debts as we kept improving the garage and our homes. As more and more German-speaking immigrants arrived in Kitchener-Waterloo during the 1950s and 1960s, the Breithaupt Street Garage drew an ever-growing number of clients from the ethnic community. Following the reopening of Canada's borders for German-speaking immigrants after the end of the Second World War, the 1950s and 1960s witnessed a mass migration wave of German-speaking immigrants to the Kitchener-Waterloo Region. On average a thousand German-speaking immigrants moved into the region every year, leading to the establishment of a post-war ethnic community of an estimated 20,000 German-speaking immigrants.¹⁷



¹⁷ Ulrich Frisse, "Berlin/Kitchener, Ontario", in: Thomas Adam (ed.); *Germany and the Americas: Culture, Politics, and History. A Multidisciplinary Encyclopedia* [Volume I] (Transatlantic Relations Series; Santa Barbara: ABC Clio, 2005), p. 141.

THE BREITHAUPT STREET GARAGE

By 1962 I had paved over the gravel driveway and installed a gas pump for my customers. We were also undergoing renovations again as we extended the little two-bay garage to a four-bay garage. At that time I was also working for some local used car dealers, three of whom had become steady customers. Hubert Reidel, a well established used car dealer in town, was one of them. Since Hubert did not have a garage of his own, I repaired the cars that he bought at the auction in my shop. Through him I also acquired a number of new customers, as he kept sending people who had bought their cars from him to my garage for maintenance and upkeep. Located on the corner of Cedar and King Streets in downtown Kitchener where Harvey's restaurant is today, Reidel sold 350 to 400 cars a year, maybe even more than that. As a result of my close contact with Reidel, I started thinking about selling used cars myself. Sometimes it was simply too costly to repair a customers' old car. I had realized that since I did not sell used cars, my customers had to take their business elsewhere to buy another vehicle. I figured that by selling used cars myself I could further increase the revenue of my business. I thus asked Hubert Reidel one day what I had to do to buy used cars at the auction. He informed me that all I needed was a garage license, which I did have of course. He then invited me to come with him to the auction in Toronto where he introduced me to the auctioneer.

Once the word had spread that I was selling used cars, customers who had decided to buy another used car instead of having a major repair done on their old car, told me what they wanted and I went to the auction to find a car for them that met their needs. Depending on how much money I had available, I bought one or maybe two cars at a time. Quite often the customer I had in mind when acquiring a specific car at the auction liked my choice and bought the car from me. At other times I put the cars from the auction up for sale in the front of the house.

When I started out selling cars on the side I bought rather inexpensive cars at the auction. The reason was that many of my customers were new immigrants who could not afford the more expensive models yet. During my first year in car sales I only sold a few cars and the repair business remained my primary source of income. Back then going to the auction to pick out a car was more like doing my customers a favour instead of making a lot of money on the sale. It was nevertheless worth my time because it allowed me to build up experience in car sales. Furthermore, it helped me in keeping customers bound to my business.

Soon I realized that selling used cars meant built-in repair business for my garage. Consequently, after getting my license for selling cars I began going to the auction more regularly. Although I only had room for about six cars on the Breithaupt Street lot, this was not a problem back then because I could not have afforded more cars than that anyway. It was not long before my customers knew that when they needed a new car they could expect to find inexpensive used cars in good shape on our lot.

During the early days of my business it was always me personally working on my customers' cars. Back then my customers often waited in the shop, watching, while I was doing the repairs. Since they had gotten used to me and trusted me personally as their mechanic, they of course wanted me to be the one doing the repair job on their car. I learned pretty much right away that customers come to trust their mechanics and that there is a personal relationship between car owners and their mechanic. Even when the business expanded so much that I had to hire mechanics, I always made sure that I stayed personally available, although I was not necessarily the one working on my customers' cars any longer. Until the late 1960's I spent most of my days repairing cars myself. Later on, when the business expanded, I was only partially involved in repairs in the way as described above. To the same extent



that I remained available to my customers, I also made sure that I was always available to my mechanics. They knew that they could come to me with any problem at any given time and ask for help and advice. Today economists call this a system of quality control. Back then it was just me as the owner trying to make sure that everything was done well and done right the first time. The backbone of our success has always been our service department. I never doubted my own and later on my mechanics' ability to provide excellent service. I was confident in the success of my garage right from the beginning because I strongly believed in the quality of my work. Over the years a lot of people have appreciated my service and that is why they keep coming back to buy cars from us, even today. The key to success in the service industry is to provide excellence. The one thing people never forget when dealing with a service provider is how they are being treated and how their concern is being handled by the service department. Knowing that the long-term success of my business depended on the quality of the service we provided, I always made sure that I hired good and reliable mechanics and I always kept myself informed on what was going on inside the shop.

By 1962 my accountant approached me and asked for a meeting. "Look, John," he said. "Your business is expanding very quickly. I am picking up a lot of paperwork here every week. If you keep growing like this it will not be long before you will have to pay me a lot of hours for doing your books." He suggested that instead of him, Mary would look after the paperwork of our business. He even offered to train Mary, suggesting that she could look after the accounting along with her dress-making business.

I approached Mary on the topic, but she did not want to do it. Since she was very busy with her own business, which she really loved, she was not sure whether she had enough time to look after my paperwork as well. We left it at that for the time being. When another month had

gone by my accountant asked me again about the possibility of getting Mary involved in the accounting aspect of my business. I told him about Mary's concerns. "Well," he said, "if that is the case, then you better hire someone else to do the books for you right away because it is going to be cheaper for you that way than me continuing to do it. I will do the year-end statement." Right after that meeting, I implored Mary to reconsider based on what the accountant had said I should do. "Why don't you at least give it a try?" I asked. "It would only be part-time and you can still continue your dressmaking as well." From a purely business perspective, it simply did not make sense to me to pay someone else to do the paperwork if Mary could do it. Mary understood my motivation and she eventually agreed to give it a try.

Business picked up so much that just once when the accountant came by to pick up the paperwork Mary was not ready for him. That was when she realized that she needed to become even more involved in the accounting side of the garage. As we continued to grow, Mary eventually became an integral part of the operation. By 1965, after being trained by our accountant, she was fielding phone calls, doing accounts payable and accounts receivable, as well as everything else up to the trial balance. The more she involved herself in the business, the more she loved it. It was not long before the two of us went to auctions together as well. After teaching Mary the essentials of buying a vehicle from the auction, she quickly became experienced at knowing what to look for in a used car. At the auction we usually split up, with Mary going one way and me going the other, scanning the vehicles. When we were done identifying cars that looked interesting, Mary called me over and told me which ones she thought I should start up and check over. We then quickly approached the owner to see if we could make a deal before the car went through the auction. On the way back from the auction house Mary always drove one of our newly acquired vehicles.



THE BREITHAUPT STREET GARAGE

Eventually the day came when I had to tell my used car dealers that I had become too busy to continue doing repairs for them. Faced with my decision, my friend Hubert Reidel rented a small garage and hired a mechanic to service the vehicles he sold at his used car dealership. I felt somewhat sad for having to let them go, because these used car dealers had been with me for years. Not only that, they had also played an important part in my overall success as a repair shop operator. Nothing would stay the same, when one day in the late summer or early fall of 1962, I was approached by officials from Simca Canada and offered to take a Simca dealership. Because Simca was not a big-selling brand, with just a two-door and a four-door model on the market, I agreed. Most franchises were very expensive and a small dealership like Simca's was

all I could afford to get into at the time anyway. Although it was exciting to bear the official seal of a car manufacturer on my shop, the Simca dealership was not much of a success for us. By 1963, when Simca Canada was taken over by the Dodge Plymouth company, we had only sold eight of their cars. Used car sales and the repair business, on the other hand, had kept growing at such rapid speed that we were running out of space at our Breithaupt Street location. By 1963, I knew that we had to find a new location with more space to expand. But where should we move to? And how could we possibly afford to buy another location? These were the questions that kept me occupied as the need to relocate became ever more urgent.



CHAPTER TWELVE:

*The Austin Dealership
on 1620 King Street East*

THE AUSTIN DEALERSHIP ON 1620 KING STREET EAST

As we started to look for a new property more seriously, we found a bankruptcy sale on 1620 King Street East. On offer was a piece of land, not quite an acre in size, for an asking price of \$42,000. Knowing that I could not even come close to that amount, I began to negotiate the price. The seller eventually agreed to a selling price of \$35,000. Although I did not have that amount either, I felt very strongly about the property because it seemed to meet all our criteria, both in terms of location and the potential for future growth and expansion. Because this was a bankruptcy sale, the property had to be bought with cash. Without knowing how I would come up with the \$35,000 required to close the deal, I put the Breithaupt Street property up for sale. Although I soon had a buyer, he could not pay me more than a deposit, because he was not able to get a mortgage. As my money remained tied up in the Breithaupt property, I had to agree to hold a second mortgage for the buyer in order to close the deal.

The buyer of the Breithaupt Street property had put down about twelve-thousand-dollars as a down-payment. When I approached the bank for a loan, I was approved for \$5,000 against our house on Otto Street, which we were still renting out at the time. In order to acquire more funds for the purchase of 1620 King Street East I paid a visit to one of my cousins in Toronto, who thankfully agreed to lend me another \$10,000 in cash. That infusion brought me up to \$27,000, which still left me \$8,000 short of the agreed cash purchase price. I then borrowed \$2,000 from my mechanic, another \$2,000 from a good friend of my father-in-law's, plus an additional \$2,000 from his friend's parents. Then it was back to Grandpa for the last \$2,000.

After all that I was able to come up with the money to buy the King Street property. Although I was proud and happy, the debt load combined with the fact that so many of my relatives and friends had their money tied up in this business venture created a lot of additional pressure to



Our 1620 King Street dealership under construction



succeed in the new location. The Breithaupt Street property sold in the fall of 1963, with closing slated for the spring of 1964. This gave me enough time to build a garage on the new property. My vision was to build the first indoor used vehicle showroom in town. However, because all our own and our relatives' funds had been used to buy the land, I did not have a single cent left for a building. What I needed was a strategy.

I immediately contacted an architect and a contractor and asked them to give me an estimate for the construction of a new garage. After the estimate came in at \$16,000, I approached another friend of my in-laws, who I knew had money saved in the bank. She agreed to give me \$15,000 against the land. I was fully aware of the fact that I was walking on very thin ice, because I knew that neither the banks nor anybody else would give me any more money. When I went to sign the mortgage papers with my lender's lawyer, I was in for a surprise. I was told that instead of the agreed to \$15,000 I would only get \$12,000. As none of my arguments could convince my lender's lawyer otherwise, the mortgage papers against the land were made up for a \$12,000 loan only.

Although I was still short of the funds needed to complete the construction, I knew that I had to go ahead with the building. We broke ground in late September of 1963. When I went to *Hogg Fuel and Supply* to buy concrete blocks and other building materials, I told them that I did not have the full amount. Fortunately, they agreed to my suggestion to give them a down payment and to pay the remainder in installments as money kept coming in from the Breithaupt Street Garage. From Hogg's I then went to *Kieswetter Excavating* and to the contractor *Winterstein*. Again my proposal to only make a down payment and pay the outstanding balance in installments was accepted. Because the Breithaupt Street Garage was still open and busy, I knew I would be able to make the payments. All of these deals were sealed with a handshake

only. To this day I believe that a business person's word is more important than a signed contract.

Because the King Street property was undeveloped empty land, it needed to be prepared first before the general contractor could begin with the construction of the garage. Most importantly, the land needed to be leveled. Because there was a hollow behind the hill at the front of the property, our contractor Kieswetter was able to level the land by simply pushing the earth from the hill into the hole, without having to haul any fill away. Once the excavating was done, we put in the foundations and the bricklayers began to construct the exterior walls of the building.

Everything seemed to be going well until my lawyer showed up one day in November of 1963 with unexpected news. He informed me that I still had no clear title to the land. Due to the previous owner's bankruptcy, he explained to me, it took longer for the land to clear, because there were other lands and buildings involved in the insolvency proceedings as well. With the frost and winter approaching fast, we had been moving quickly. We already had a wall up when I learned that legally the land was not even mine yet. The lawyer could simply not believe that we had already started building before the transaction had fully cleared. "John, what in the world are you doing?, he asked. "You do not even own the property yet! What if the transaction does not go through?" I had never even contemplated that scenario. In my mind, I had bought the property, I had paid for it, so of course it was mine!

In view of the startling news, we decided to stop construction briefly. By the end of November 1963, however, I finally received clear title to the land and we kept on building. I went to *Temperman Wrecking*. There I got a lot of used material for the roofs, joists, steel etc. at a very good price. Only two months later, in January 1964, we already closed in the building. Because by then there was frost on the ground inside the walls, I put a lot of pressure on the heating engineer to get the job done as quickly as



possible. The heating went in in February and I continued to rush everyone involved in the construction because I knew that if we were not ready to open by April, I would be out on the street, as we had agreed to vacate the Breithaupt Street property by then.

The Breithaupt Street Garage was as busy as ever while we were preparing our new location. During the construction period I left the garage once or twice a day to check out how things were going at the King Street site. The contractor also called me over whenever there was a problem or decisions needed to be made at the construction site. As I continued to make money from operating the Breithaupt Street Garage, I was able to make payments to the various businesses owners who had provided me with material and services in good faith. Whenever I realized I could not make the next payment, I went in to talk to my creditor right away, telling him that I would make the payment in two weeks. As a general rule, I always dealt with the situation right away. Never throughout my entire life as an entrepreneur and business owner did I write a cheque that bounced for lack of funds in the account.

In time everything was paid for. The new building was just blocks, windows, doors and a roof; however, it had six mechanic stalls, plus an oil and lube stall as well as another one for cleaning our customers' cars. We also had a small showroom for new cars and an office. Furthermore, part of the King Street location was a brand new service station with three pumps. I signed a ten-year contract with the City Service Gas Company. They put in the tanks and the pumps and made the station operational at their own expense. When we opened our new location those days when I had dug holes in the floor of the garage to get underneath the cars were long gone. The new garage had two hoists, one of which I brought from the Breithaupt Street shop, the other one was installed by the City Service Gas Company with no upfront charges;

instead of fixed payments they billed me a little bit extra every time I bought oil and gasoline from them.

While we were in-between locations I had a visit at the Breithaupt Street Garage that was to dramatically change my vision for our new operation. I do not know what exactly had led the manager of the IAC Financing Company and the manager of Austin National Sales Canada to my small garage. One day they simply showed up, asked for the owner and told me that they were looking for someone to open a new Austin dealership. The Austin dealer in Waterloo, they informed me, had decided to give up the dealership, being a small one-bay dealer who was mostly doing repairs. I was instantly interested and wanted to know the details, particularly with regard to how much money would be required to become an Austin dealer. I invited the two men over to my house where we sat down and discussed the details over coffee. During that meeting I learned that in order to become an Austin dealer I needed \$10,000 upfront for new cars and another \$5,000 for parts and services. Naturally, I asked the IAC manager how much his company was willing to lend me for this venture. When he offered me \$5,000, I told him that under those conditions I was not available. "If that is all you can do for me," I said, "then thank you for stopping by, maybe we will be in business another day." I was already walking them to the door, when Mr. Brown, the national sales manager for Austin, said "Wait a minute. *We* need a dealer. And *you* are going to sell cars, *you* are going to sell parts and service, and *you* are going to make money with this!" I replied that I had realized the opportunity in his offer all too well. "However," I continued, "I simply do not have \$10,000 right now." Determined to not let this deal go, Mr. Brown came up with another suggestion. "This is what I am going to do. First I will have to talk to my superiors about this, but, what if we give you the cars on consignment? That way you do not have to pay for them upfront; you



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only pay us back after you sell the car.” We were finally speaking the same language but I was not holding my breath. I asked Mr. Brown to look into it and let me know whether taking the cars under consignment was a real possibility.

Mr. Brown was so eager to close the deal that the next day already I received a phone call from Austin’s Canadian head office in Toronto. I was told that we were in business and that the papers would arrive during the next couple of days. That is how I began operating out of our new King Street location as an Austin dealer.

Moving day was drawing closer. We were not only moving our business, we were moving our family home as well. Fortunately, at just the right time, the tenant in our first house on Otto Street had purchased his first home, allowing us to move back into the house we had purchased the year we had come to Canada. Everything had fallen into place: we had a place to live and we had a new repair shop with a new dealership—Heffner Motors.



The Austin dealership at 1620 King Street East in 1966

There was a lot of excitement as we were moving from a four-bay garage into the new eight-bay facility with a showroom and a separate parts department. Now that I was an authorized Austin dealer, the showroom we had designed for four used cars fit six of the new smaller British models. We opened the new dealership in June of 1964 with six new Austin cars in our Sports Car Centre: the Austin product line included the Mini, Cambridge, Westminster, A-60, Sprite and Healy. It turned out that Mr. Brown was a man who was true to his word, as he supported my new business in any way he could. Austin trained me on their cars, provided me with literature on their entire line, told me everything about the features of their cars, showed me around at their head office in Toronto and introduced me to their central parts manager. They really looked after me.

Whereas the Breithaupt Street property had only provided space for six used cars (which at the time was all I could afford to buy at the auction anyway), on King Street we had room for twenty-eight used cars! Because we were just starting out in the new location and the purchase of the land and the construction of the building had eaten up all of my resources (and beyond), I could, of course, not afford to buy that many cars right away. As a result, in the beginning our used car lot on King Street looked a lot like an almost empty parking lot, with just six or seven cars on it.

It was not long before business in our new location picked up so much that I realized that I needed to hire additional staff. I felt I had to be everywhere all at once: sales required my attention; I was busy in repairs and service; I was handling any customer concerns or problems myself; I went to the auction to keep up our inventory; I even picked up new cars and drove them back to our lot. At one point people were coming into our dealership to buy cars, but there was no one there to look after them, because I was out doing some other business-related task. It



THE AUSTIN DEALERSHIP ON 1620 KING STREET EAST



Our staff at the Austin dealership in 1968



My Service Manager Joe Williamson and his wife Peggy together with one of our mechanics in 1968

was definitely time to hire new staff. When I started looking for my very first salesperson, I ran an ad in the newspaper, since I did not know any salespeople. All I knew was that I needed qualified and reliable people in my dealership. The first sales representative I hired was Heinz Werneki. The fact that he spoke German was important for me because we had a lot of German-speaking customers. Since we were selling British cars in Canada, fluency in English was of course another absolute requirement for the position. Hiring Heinz was the right decision. With him looking after sales, I was now free to go to the auction or to pick up new cars, knowing that customers were taken care of during my absence. Because of his competence and experience I authorized Heinz Werneki to sign deals independently. I had great trust in him because he fully understood the bottom line we needed to maintain on the sale of any car in order to keep the business profitable.

In 1966, I went on a three-week-long dealer trip to Great Britain, where we were taken to the Austin factory in Cambridge and to the Morris factory in Oxford. We also saw the MGB production line as well as the Jaguar plant. During my absence in Europe I felt entirely comfortable with leaving Heinz in charge of my Kitchener operation. In fact, there were three sales people including him working for me by then.

At first I continued to pick up new cars myself after we had moved into our new location. Later on they were shipped to us by Austin from Hamilton. It was quite a memorable day when, for the very first time, a load of brand new cars arrived on a trailer at my dealership. After unloading the cars the truck driver came into the dealership and asked for someone to sign for them. Trying hard not to show my excitement, I went outside with him. There I spotted the cars, brand new and shining, parked in a line in my driveway. I checked them over for any damage, signed the papers and the driver took off. After cleaning the cars we moved them into our showroom.



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There was still a lot of work to be done when we opened our new facility that spring of 1964. Putting on the finishing touches took us right through the summer, as we did all of it ourselves after regular hours. My mother-in-law and my Mom came in to do the cleaning on the weekends and in the evenings. They cleaned windows and floors and they also helped with the painting. While we were cleaning, painting and finishing the new building often until midnight, my mechanics were still at work as well, putting in a lot of overtime hours to keep up with all the repair orders we had. Thankfully, our new location was busy right from the very beginning.

We held our official grand opening in the fall of 1964 when the new models came out. Austin Motors Company helped make the grand opening a highly memorable event. Austin paid for the radio advertising, Coca Cola, which was located next door, provided free drinks, IAC, Austin and the Bank of Nova Scotia, among many others, sent flowers. Although my business was still rather small compared to some of the

other local dealerships, we made sure that people knew that I was the new Austin dealer in town.

As the business continued to grow and I was able to build up more capital, I started to invest more money into used cars to put on the lot. Although we took trade-ins, this was not always possible. Sometimes the trade-ins were worth too much for us; at other times I had too much money tied up in other used cars on my lot to take them on. That is when I turned to one of the various wholesalers that I had established a relationship with. I learned very quickly that I could not get every deal and that sometimes I had to let a potential customer go to buy a car somewhere else.

Throughout my many years in business, it was always important to me that my sales people earned a good living. The better they did, the better I would do as well. Furthermore, the more sales we made, the more work we ensured for the service, parts and other departments, because customers have a tendency to come back to the dealer for upkeep,



During our 1966 dealer trip to Great Britain we were shown the latest models at the Austin, Morris, MGB and Jaguar plants and in this Automotive exhibition in London



THE AUSTIN DEALERSHIP ON 1620 KING STREET EAST

maintenance and repairs. We got so busy in the King Street location that whenever I had the time I took the overflow in sales. Generally, however, I left this significant part of our business to the sales people. The ledger tells the story of our growth the best. In 1964 we sold almost three hundred cars, of which sixty-four were new. The next year we sold 123 new cars and almost three hundred used vehicles. Our numbers fluctuated, but overall we kept increasing the number of vehicles we sold – both new and used –, reaching total sales of 440 cars in 1968.

It was in 1965 when I decided to open a body shop on the premise. I added on to the back of our existing building to create a two-bay repair area as well as a paint booth. Originally I had wanted the body shop for repairing the used cars from the auction. However, it was not long before body work on cars became another regular income stream for us. As we continued to grow, we needed additional space. The property right next



This picture shows from left to right: myself, Mary, office staff, Mac Macneil (Sales), Oliver Hures (Sales), Heinz Wernicke (Sales Manager). In the window on the right are our parts manager and warranty clerk

to us was a machine shop – *Heimpel Automotive*. Although having a machine shop this close to the dealership was of great benefit to my service department, I felt I could make better use of the space. I thus approached the owner and told him about my intention to buy the property of him. Since he was not ready to sell at the time, he turned me down. One day in the mid 1970s I received a phone call from the fire department in the middle of the night. I was told that the machine shop next door was on fire and that many of my cars that were parked right alongside the building were in danger of being consumed by the flames. Together with both my sons John Jr. and Willy I raced over to the lot and fortunately we were able to move the cars out of danger. However, by the time the fire was put out, the entire front end of Heimpel's machine shop had burned down. Although he would have liked to rebuild in the same location where he had operated for many years, the building code had changed in the meantime. Under the new regulations, he could no longer meet the legal requirements for set-back, parking etc. As a result, when we started talking again about me possibly buying the property of him, he was ready to sell. The purchase of the neighbouring property gave me another half an acre, including the rear part of the existing building that had not been destroyed by the fire. I fixed up the building and put in a six-bay body repair shop. The rest of the property I used for the expansion of our used car lot.

One day in 1964, while I was reviewing our finances, feeling somewhat more comfortable with the debt load we were carrying, an excellent residential opportunity presented itself. As we were living in our first house on Otto Street again, we felt that it was time to move on to another house. The home I laid my eyes on was on a corner lot on Trafalgar Avenue and Kenneth Street. It was close to the dealership and I was able to buy the property at an excellent price in July of 1964. As in the past, we decided not to sell the house on Otto Street, but to rent it out again



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Staff Christmas party at our home on Trafalgar Avenue during the 1960's



Staff Christmas party at our home on Dalewood Street during the late 1960's



Our staff Christmas party during the 1970's



THE AUSTIN DEALERSHIP ON 1620 KING STREET EAST

to create some additional income that went toward our new mortgage. Our new house was a side split-level home with a lot of potential. After we lived in it for only one year we started to make some changes to the basement. I had the idea to move the furnace and laundry room into the crawl space to double the size of the recreation room. We dug three feet down into the crawl space, made the changes and ended up with a greatly enlarged recreation room in our basement. With such a large room for entertainment we started the tradition of holding company Christmas parties at our home. My Mom and my mother-in-law, with Mary helping, did all the cooking for the first company Christmas party at our house in 1966. We were a young and tight-knit team and had a lot of fun together, staying up all night dancing until five or six o' clock in the morning.

As the business grew and staff took on responsibilities that I had previously held myself, it was possible for me to spend more time doing other things than during the early establishment phase. Parallel with the growth of the business, Mary's and my social life expanded as well. We had been members of the *Schwaben Club* since 1964, attending dances held in the club three or four times a month, just as we had done back home in Hungary. We also sometimes attended dances at the *Alpine Club* and the *Concordia Club*. Our family still belongs to St. Mary's Catholic Church on Duke Street. As members of all these groups and organizations we made so many friends that there was never a shortage of social events to attend.



CHAPTER FIFTEEN:

Toyota

When my sons reached their teenage years I began to understand how important my family's influence had been in the development of my own dreams as a child and adolescence. I had been able to follow my dreams and I wanted John Junior and Willy to do the same for themselves and their families. I was the first to suggest to my boys that they could become anything they wanted. Not only were they both intelligent, I knew that they had great potential in whatever career they chose.

As students both my sons worked part-time at the dealership. John Junior's first job was washing cars. By the time he was in Grade eleven he was working in the parts department. I started him there because there was always something to do and to learn there. It was not long before John was working at the parts counter. In that capacity he supplied the mechanics with all the parts they needed. With his great natural understanding for numbers, John quickly knew some of the fast moving parts numbers by heart. From the parts department John then first progressed to selling parts to customers and eventually to looking after customer service. It was important to me that John would be exposed to customer service because this was the heart of our business. As a staff



The Toyota dealership at 1620 King Street East in 1976

member of the customer service department he was confronted with a wide range of customer concerns and mechanical issues.

When the time came to decide about his professional future, John told me that he was not going to be a car dealer. Instead he entered university to study mathematics. I was so proud of him. Two years after starting university he switched to a business degree program at Wilfrid Laurier University in Waterloo, Ontario. While continuing his studies there he started working more part-time hours at the dealership. One day John Junior approached me and asked for a full-time job at the dealership. Although I was excited about the possibility, I was torn. I was anxious at first because in order to hire him I needed to make sure that there would always be enough work to support two family members and their families. If I hired my oldest son, I had to ensure that he would make a good living as well. Despite my initial hesitation, I was of course thrilled about the possibility that John Junior would follow in my footsteps and one day take over the family business. My excitement exceeded my concerns and my son started working full-time in car sales at the dealership in 1975. He has been an excellent team player ever since and I have never regretted the decision to have him work in the company.

One day, entirely out of the blue, I received a phone call from Harold Schlueter, the Toyota dealer in town. Remembering that Toyota had talked to me years back about taking on their Kitchener franchise, he asked me whether I was still interested in becoming a Toyota dealer. Stunned by the unexpected offer, I said "You must be kidding, Harold!" "No John," he replied, "I'm not kidding. I have taken GM." I instantly recalled that when we had been at the auction together in the past, Harold had always bought up the GM cars whereas I had always bought the imports. It all started to make sense to me. Within half an hour after our phone conversation the Toyota representative was in my office, and I went to my bank that same afternoon to close the deal. In order to fund



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a bigger franchise like Toyota I needed to arrange for a larger operating line. I was truly excited when I got bank approval the next day.

The day I was approved by Toyota to succeed Harold Schlueter as their new Kitchener dealer I notified Fiat and Volvo that I was terminating our franchise agreement. When I went in to meet with the Fiat and Volvo executives to sign papers for my release from the franchise I took my son John Junior along. I wanted him to get experience in these kinds of dealings too. The Fiat representative was not surprised by my decision. Fiat Canada had already realized that they had no chance of competing against more successful car manufacturers like Toyota. At the time I notified them of my decision, they had already decided to pull out of the North American market altogether. The Volvo manager, on the other hand, tried to talk me out of my decision, emphasizing that Toyota did not have any high end models like Volvo did. His words were in vain because I had already made up my mind to go with Toyota. Switching to Toyota was a definite upgrade for my business because by the mid-1970s Toyota had become the number one selling import brand in Canada. I officially reopened as the new Kitchener Toyota dealer in June of 1976.

I cannot say that it was easy to start all over again with a new product. However, I was full of energy and enthusiasm because I knew it was worth it. I tried to learn as much as possible about Toyota's business and operating philosophy. First and foremost my staff needed to be trained all over again. The mechanics were immediately sent to Toyota for training, while I involved myself in identifying which mechanic was best at what to make sure that as in the past my customers were sent to the right mechanic every time. The sales people had a lot of learning to do as well. While we were still in the process of transformation I had to begin selling Toyotas. My entire team was up for the new challenge and we wasted no time getting to work. Within the first two months we sold 29 new Toyotas already; and in 1977, our first



Our car display at Stanley Park Mall



Our 1977 car display at Fairview mall



full year with the franchise, we sold 249 new Toyota vehicles. As with all other car brands I had represented, there were challenges with Toyota as well which led to a temporary decline in the number of sales. By 1979 Toyota had fallen from its position as the number-one-selling import car in Canada to fourth position. The reason was that Toyota had kept building cars with rear wheel drive at a time when front wheel drive models became ever more popular. Luckily for us, Toyota rebounded in 1980 with its front wheel drive Tercel model. Once the Tercel hit the market we started selling again. By 1982, Toyota was well on its way to resuming its market-leader position. New import restrictions imposed by the federal government, however, resulted in a temporary halt in car sales increases.

In 1980, we managed to win the Toyota National Dealer Quality Award—touting us as the number one dealer in all of Canada during



Heffner Motors Ltd. is awarded the National & Zone Quality Dealer Award by Mr. Togo in 1980

1979. The award did not mean that we sold the most cars of any Toyota dealership in Canada, although we were recognized as the dealer with the biggest percentage increase in new car sales. Instead we were judged by the overall standard and success of our entire operation, including cleanliness of the facility, number of sales in cars, parts and services, frequency of customer complaints etc. Toyota's comprehensive assessment approach was entirely new to me. As the authorized dealer of other car brands I had never had the manufacturer come to my dealership to rate me in almost every single facet of my business. We were definitely proud of our achievement, particularly considering that we had made the switch to Toyota only three years earlier. We felt confirmed in our efforts when – as part of the Toyota National Dealer Quality Award – we also received the Central Zone Quality Award. The National Quality Dealer Award was presented to me by Mr. Yukiyasu Togo, president of Toyota Canada, and the company's senior vice president, Mr. Hector Dupruis. These awards which were accompanied by a cheque for \$10,000, formally recognized Heffner Motors Ltd. for outstanding professionalism as demonstrated in attaining the highest performance criteria in Ontario and all of Canada in the areas of service, management, sales, parts and service.

Working with Toyota not only ensured the continuous growth of our business, it also exposed us to a completely new business culture and philosophy. In 1979 Mary and I took our first trip to Japan with Toyota. This nine-day trip was an experience of a lifetime! There were tours of the Toyota factory, business meetings as well as exciting sight seeing trips. Toyota introduced us to Japanese culture as well: we attended shows and cultural events, enjoyed Japanese music and dance and learned a lot about the history of this unique country. The trip further gave Mary and I the opportunity to experience first-hand the hustle and bustle of Japan's highly modern big cities. My lasting impression of Japan was that virtually everything is different there. We have taken four



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A reception during a Toyota dealer trip to Japan



Canadian Toyota dealers in Japan, 1979



A Geisha party in Tokyo



Visiting the home of one of our technician's (Sam Nakanishi) sister, in Tokyo, Japan



TOYOTA



Our first Guelph dealership at 96 Dawson Road in 1980



The 1982 reopening of our renovated showroom at 96 Dawson Road in Guelph with Mr. Togo, president of Toyota Canada, and Mr. Norm Jerry, mayor of Guelph.

trips to Japan altogether and have met a great number of good people there over the years.

In 1980 another opportunity presented itself to us when I had the chance to buy the Dawson Road Toyota dealership in Guelph. Although it was only a smaller operation with a one car showroom and a five bay service department and no office space outside a desk in the showroom, I decided to buy the franchise. This move made sense to me because my investment company, Heffner Investments, already owned a commercial mall and some farms in the Guelph area. The dealership therefore presented itself to me as another opportunity to expand into that city. After signing the papers I began operating the Guelph dealership with three mechanics, one sales person and one general manager who was responsible for parts, service and everything else.

In 1981 I felt it was time for renovations at the Guelph location. Because space was limited I had to become creative again. In order to increase the floor space to a four car show room, I created an upper floor for storage, which opened up the floor below. This way I had room for a very small parts department downstairs as well, although the inventory had to be kept upstairs. When the renovations were completed we had another grand opening. By then the Guelph dealership already employed three salespeople, one parts manager, one service manager and three mechanics. I divided my time between both locations, running sales meetings every week and overseeing overall operation in Guelph and Kitchener.

I will never forget when, in 1981, Toyota's President, Mr. Eiji Toyoda, visited our Kitchener dealership and our home. We had been informed beforehand by head office that Mr. Toyoda was coming to Canada and that he wanted to visit a dealership outside of Toronto. I was thrilled when I learned that our Kitchener location had been selected because we had been the most successful dealership in all of Canada in



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1979. Toyota's head office sent us Mr. Toyoda's itinerary in advance with the request not to alert the media of his arrival. I was also told that, if possible, Mr. Toyoda would like to see a Canadian home. On July 8, 1980 I picked up Mr. Toyoda and his small delegation which included an interpreter, at the Waterloo Regional airport in two Toyota Cressidas. After touring my dealership I took the visitors to my home on Dalewood Drive. In expectation of the visit, Mary had done some baking for our guests. Together we enjoyed one of the most memorable events of my eventful life over coffee and cake in our living room.

The 1980s were eventful years for the entire family. With John Jr. being a full-time employee of the dealership since 1975 already, this was the time when my younger son Willy decided to join the dealership full-time as well. By the time he had finished high school and moved on to university, he had already worked in various departments, including service and parts. Willy enrolled in the co-op accounting program at Wilfrid Laurier University. When he graduated in 1983 with an Honours



Mr. Eiji Toyoda, president of Toyota Motor Corporation and his wife, with John and Gerda Heffner and Mary and I, in Quebec City during the late 1980s



Mr. & Mrs. Toyoda visiting our home on Dalewood Drive in 1981



With Mr. & Mrs. Toyoda (middle of photo) in Hawaii



B.B.A., he received a job offer from a well-known accounting firm in Guelph. I thought he was going to accept the offer because in order to be eligible for writing the exam to become a chartered accountant he needed one more year of work experience. Then one day in 1983 he came into the dealership and asked to speak with me in my office. After we had sat down, Willy said: "Listen Dad, I've been thinking about this job offer and I wanted to talk to you before I make a commitment. I need to work for one more year in order to write my Chartered Accountant Exam and I think it would be better if I worked the year for you, here in the dealership, if there is a job for me, of course." I barely gave him a chance to finish his sentence. "No, no," I said. "Go and work for the accounting firm, get the experience, get your Chartered Accountant degree and then, if you are still interested, we will get you a job here." "Listen to me, Dad," he replied. "This will be my opportunity to see if I

can work with you and my brother. If it does not work out, I will write the charter, become an accountant and never look back. But if you do not give me a chance, I will never know if we could have worked together as a family." I was impressed. Willy had obviously thought this through before approaching me. He continued: "But if this works out and I stay with you in the company, I will not need the charter, because the year-end-statement needs to be done by an outside chartered accountant anyway." Not only did he have a point, as a father I was of course excited about the possibility of having both my sons working with me. John Junior had been working for the company for eight years already, when in 1983 Willy joined the company as a full-time employee as well. In the beginning, Willy's main responsibility was to run back and forth between the Kitchener and Guelph dealerships to do the books. Now that both my sons were in the business, I began thinking that each of them could run their own dealership one day.



*A visit from Dr. Shoichiro Toyoda – President of Toyota Motor Corporation
– during the early 1990's*



A business meeting with Toyota officials



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My sons John Jr. and Willy at the 1620 King Street dealership

Willy proved to be an excellent asset for the company. It was not long before he focused on developing an in-house computer system for the dealerships, working closely with a software developer. After that he built up the Heffner Leasing Division. As the firm's accountant, Office Manager and Leasing Manager Willy has been making important contributions to our company's overall success. At present John is president and Willy is vice-president of the business. Willy still oversees accounting and he is also in charge of the two leasing companies he has built.

By 1984, we had outgrown the Dawson road location in Guelph. When in 1985 I had the opportunity to buy the adjacent roller skating alley—a two acre property with a 21,400 square foot building on it— I decided to go for it. I purchased the property through one of our real estate companies and immediately began renovations to expand the



Business meeting with my sons at the Kitchener dealership – 1620 King Street East



My son Willy in his first office at his first job at Heffner Toyota as Office Manager, 1983





The Central Zone Quality Award for our Guelph Dealership



The grand opening of our Guelph Toyota dealership office. From left to right: Mr. Hector Dupuis – Senior Vice President of Toyota Canada-; Mr. Herb Laggewie - National Business Manager-; Mr. Susumu Yanagaswa – President of Toyota Canada -; Mr. Andreas Peller – Founder and President of Peller Estates Winery; and I



Our staff at 86 Dawson Road in Guelph



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business. The building on the new property was only four years old and in good shape, which allowed me to use 10,400 square feet of it for the dealership. When renovations were completed, we had an eight car showroom, with sales offices, an administration office, a board room, a parts department, an eight car service department as well as additional space for a two car detailing department. We moved into the renovated building in the fall of 1985 and sales started booming right away.

By the next year, 1986, our Guelph location won Toyota's National Quality Dealer Award, a prestigious recognition that our Kitchener location had received six years previously. As mentioned earlier, the award was presented for our overall achievement. Among other things, it recognized our Guelph dealership for the quality of its service and parts department as well as for having a significant percentage increase in new car sales. If that was not enough to make our entire team burst with pride, we also won the Gold Service Award for outstanding achievement in the service department, in management and customer service.



The new Guelph Toyota dealership at 86 Dawson Road in 1985



Mary and I at the Grand Opening of our Guelph dealership at 86 Dawson Road



TOYOTA



Breaking the ground at 3131 King Street East, with Mr. Eiji Toyoda (centre) in May of 1987



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For the next couple of years Willy and I commuted back and forth between our two locations. Willy kept looking after the administration of both dealerships, as well as running the leasing department in our Kitchener location. He and I shared an office in Guelph, as I kept running both dealerships, holding sales meetings every Monday and staff meetings on a weekly basis. One would think that now that both my sons held leadership positions in the company, I would be less involved. Quite to the contrary, with both of my sons working for me, I was even more determined to keep both dealerships busy all the time. My primary goal was to make sure that enough work kept coming in for all three of us to provide a good living for our families. I continued to work fourteen to sixteen hour days, going to the auction three times a week and even

helping out the mechanics. The one thing that had had changed though was that by now I felt I was not doing this for myself any longer, but for my sons and their families. Determined to ensure a continuous living for Willy and John and their families, my intentions with regard to the long-term future of my businesses were becoming clearer. I adopted the plan to make Willy the dealer principal in Guelph and John the dealer principal in Kitchener.

By the mid-1980's our Kitchener dealership was in desperate need of space again. With no room for further expansion on the existing premises, we started looking for another property big enough to accommodate all our future expansion needs. Through Heffner Investments Ltd. I purchased the land the dealership sits on today, a



My family and close friends at the grand opening of the new Heffner Toyota dealership at 3131 King Street East in 1988



TOYOTA



The Heffner Toyota staff at the grand opening of 3131 King Street East in 1988



Ribbon cutting ceremony for the new Heffner Lexus dealership in 1991



The Heffner Lexus Toyota dealership at 3131 King Street East in 1994



fourteen acre parcel at 3131 King Street East. Our Guelph dealership was growing by leaps and bounds as well, employing twenty-two people by 1989. This was the time when Toyota decided to bring their luxury brand Lexus into Canada. I quickly learned that there would only be one location for Lexus in Waterloo Region and that our Guelph dealership could not apply because Lexus, as other luxury brands, only establishes dealerships in larger communities with a high population density. Seeing the potential in adding Lexus to our Toyota products in Kitchener, I began thinking about selling the Guelph dealership. Although the eventual decision to sell was mainly for professional reasons, family considerations played a role as well. One winter day, while driving to our Guelph location on snowy roads, Willy had an accident that shook up the

entire family. Luckily he was not hurt, but his car was badly damaged and we all realized that the outcome could have been so much worse. After that experience, John and Willy decided that rather than being competitors as independent owners of two separate dealerships, they wanted to become partners at the Kitchener location. We were in the midst of applying to become the Kitchener Lexus dealer when we decided to sell the Guelph Toyota dealership. Because the operation had grown so much, we were able to make a worthwhile profit on the sale. The timing was excellent because in 1990 our first Lexus rolled off the line. My sons were now partners in the Kitchener Toyota and Lexus dealership and I stayed on as chairman, keeping myself busy with running Heffner Investments Ltd.





The background of the slide is a collage of several images. At the top, there are two rows of men in suits, some holding a ribbon. In the center, a man in a white hard hat and a striped shirt stands in front of a construction site. Below this, on the left, is a close-up of a man in a suit holding a torch. In the middle, there is a photo of a Toyota dealership with a 'Heffner' sign. To the right of that is a photo of several cars parked in front of a building. At the bottom left is a photo of a Lexus dealership. At the bottom right is a photo of a man in a suit holding a framed certificate, with two other men standing behind him.

PART THREE: PASSING OF THE TORCH

CHAPTER TWENTY:

"The Passing of the Torch" -

THE CONTINUATION OF JOHN HEFFNER'S LEGACY
THROUGH HIS SONS JOHN JR. AND WILLY HEFFNER

“THE PASSING OF THE TORCH”

On January 1, 1987, John Sr. sold his interest in the automotive side of his companies to his two sons John Heffner Jr. and Willy Heffner. This “passing of the torch” signaled the beginning of a changeover period which saw John Sr.’s responsibility for all aspects of the businesses transition through a period of joint responsibility where father and sons worked together as a management team with responsibilities split between them to the current situation where John Sr. acts as a mentor and guide to his sons who are now leading the business on their own. In the same way that John Sr. relied on mentors in the early days of his life as an entrepreneur, his sons feel honoured to have their father as their mentor and guide in their shared leadership of the family business. To this day, they rely on his guidance and words of wisdom, and his occasional words of “correction” when appropriate.

It was one of John Sr.’s life-long dreams to see the venture that he had started many years earlier as a family business continued by the next generation. In 1987, he felt that the time had come for his sons to have an ownership interest in the business. John Jr. and Willy had been active in their father’s dealership for many years. Following temporary employment during their school and university years, John Jr. and Willy had been full-time employees since 1975 and 1983 respectively. At the time of this ownership transition, the Heffner business group included the Guelph Toyota dealership, which John Sr., as detailed in a previous chapter, had purchased in 1979. It was thus decided that one son would purchase Heffner Toyota Limited, while the other son would acquire Guelph Toyota Limited. Being a totally democratic family, the only fair way to make the decision as to which son would get which dealership was

to flip a coin. Thus, John Jr. became the President of Heffner Toyota Limited and Willy took over Guelph Toyota Limited.

At the time the split was made, Willy had been managing the family’s leasing company (Heffner Leasing Limited) for several years as well as overseeing the company’s administrative department and its fledgling computer systems. Since the Guelph dealership was the smaller of the two operations, his new position as president of Guelph Toyota Limited allowed Willy to continue supervising these aspects of the business. While this was a very exciting time for the Heffner family, it also presented them with a great number of questions and challenges: most importantly, how to overcome the “dilemma” of having to operate two separate businesses owned by two brothers who were committed to work together as a family and help each other out.

The arrangement made in 1987 continued until mid-1989, when the family sold the Guelph Toyota dealership, and Willy became a partner in the Kitchener operation by purchasing a fifty percent interest in Heffner Toyota Limited. The timing for this move could not have been any better since Toyota Canada had just announced its plans to add its luxury brand, Lexus, as a new franchise to a select number of existing Toyota dealerships in the country. Convinced that a case could be made for the introduction of this luxury vehicle lineup to the Kitchener-Waterloo market, John Jr. and Willy submitted their letter of intent to Toyota Canada within 24 hours of the official announcement. In fact, the two Heffner brothers understand that theirs was the first application to make it onto the desk of Wayne Jefferey, the National Manager for Lexus Canada. John Sr.’s long-standing record of paying close attention to the needs



of his customers went a long way in the success of the application, as one of the main criteria used by Lexus in its decision as to which dealerships would be allowed to carry the Lexus luxury brand in Canada was a proven record of excellence in customer service.

When, in the spring of 1990, Lexus announced the names of those Toyota dealers that had been chosen to add the Lexus franchise to their existing operations, John Jr. and Willy were thrilled to learn that theirs was among only 21 dealerships selected. From then on, the saying that the only thing predictable in the running of a business is that tomorrow will never be the same as yesterday, would prove itself many times over in the Heffner business. Now that the Guelph dealership had been sold and Lexus had been added to the family venture, John Jr. and Willy had to develop a professional relationship with each other that would allow them to lead the business as equal partners. Most importantly, they had to figure out how to make their different personalities complement each other to the benefit of their company, as well as finding ways to settle their disagreements. The learning process, thankfully assisted by their father's many years of experience, included many three-way meetings and learning sessions between father and sons. Whereas John Jr. was the sales and marketing type, with a rather easy-going personality, Willy was the accounting and analytical type, to whom everything was black or white and required checks and balances. At first, the combination of these two characters seemed like oil and water. Over time, with John Sr. at times acting as a mediator between his sons, the two brothers were able to turn what had been a source of potential conflict and disagreement into a major strength in their joint leadership of the family business. Over the years, their contrasting personalities have

mellowed and John Jr. and Willy Heffner have come to recognize and appreciate the wisdom and merit of each other's views. The foundation for their continued success comes from their ability to apply both points of view in a balanced fashion.

With the addition of the Lexus franchise in 1990 came the first of what would be many construction projects. In retrospect, both brothers are thankful that they were not aware at the time of how much construction lay ahead. Otherwise, - they add jokingly - they might have preferred to run away and hide instead. Not only is construction a highly complex and difficult undertaking; it also creates many new stresses in any relationship. In the case of John Jr. and Willy Heffner their different personalities came into play again with John's desire to build something no matter what the cost being tempered by Willy's desire to ensure the plan made financial sense.

The initial Lexus dealerships in Canada were all dealer-within-a-dealer setups, with the Lexus Franchise functioning as a segmented part within an already existing Toyota dealership. This was different from the United States, where the Lexus dealerships were all stand-alone buildings and was a direct reflection of the vastly different size of the luxury vehicle markets in Canada and the United States. Luckily, the Toyota dealership at 3131 King Street East had been built with two separate showrooms. What had originally been a concession to the peculiar topography of the land now proved to be a blessing in disguise. With a second showroom available in the existing facility, the Heffners decided to transform the upper showroom into the new Lexus showroom and sales centre. The Lexus service area was to be handled by a separate office that would



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be solely responsible for dealing with Lexus customers who brought their vehicles in for maintenance and repair.

Due to his vast experience with construction projects, John Sr. took on the responsibility of overseeing the renovations necessary to accommodate Lexus in the existing Toyota dealership. While John Jr. had been involved in a minor capacity in the original construction of the Heffner Toyota building at its current location already, he played a much more active role throughout this new renovation project - sitting in on all the meetings with contractors and ensuring the renovations were compliant with Lexus standards.

Adding the Lexus franchise to their existing operations was not only an exceptional business opportunity for the Heffner brothers, it also served as a vivid demonstration of how the Canadian automotive market had changed since their father had opened his first franchised dealership in 1962. While the dealers enjoy a fair degree of freedom in the day-to-day operation of their business, which is what allows them to distinguish themselves from their competitors and build a unique experience for their customers, there are many key areas in which the dealer *must* comply with the manufacturer's guidelines, such as warranty policies and procedures, vehicle & parts inventories and financial reporting, just to name a few. In addition, there has been a growing trend for the manufacturer to issue more precise and definite guidelines for the design, structure and finish of the facility in which the franchised product is to be presented. The renovation of the dealership building to accommodate the new Lexus franchise was the Heffners' first experience with some of these new facility compliance guidelines. Although not as stringent as in today's franchise market, they

included a number of material and colour schemes that needed to be followed to comply with the Lexus Facility Image requirements.

As detailed in the previous chapters of this book, John Sr. had undertaken a great number of construction and renovation projects over the years to accommodate the changing needs of his growing business. In each of these he had been in control of every aspect of the renovations. The renovation of the King Street dealership to integrate the Lexus franchise was the first time that someone else (Lexus Canada) was telling him what to do. The Lexus Facility Image guidelines were very specific, including instructions as to what floor tile to use, what furniture to buy, and what colour of paint



In 1991 John Jr. and Willy Heffner received the Toyota 15-year-service award in Miami, Florida



to apply to the walls. Lexus' attention to detail provided for several interesting meetings during which John Sr., tempered by his sons, struggled with adapting to the new realities of being a franchisee in today's changing marketplace. One example of this challenge was in the choice of tile for the floors in the new showroom. Lexus wanted to ensure that all the dealerships across the country have a similar look and feel for their customers. The floor tile which Lexus had chosen to use was a very shiny black granite tile. Unfortunately, this tile was not particularly well suited to a long Canadian winter and the shiny finish made it very difficult to keep it clean. Even when polished to perfection, after a single person walked over the tile the tracks would remain visible. John Sr. tried to argue this point with Lexus Canada, stating that this particular tile was not suitable for the Canadian environment, but to no avail. In the end, the shiny black floor tiles were installed and although they looked great when polished, they served as a constant reminder to the Heffners of the new corporate environment they were now operating in.

Naturally, it is difficult for entrepreneurs who have built their company from the ground up to relinquish control of the decision making process. Thankfully, the Heffners were able to adapt to this new style of partnership between the Franchisor and Franchisee as the relationship with Lexus has proven to be very successful. The single most important impact of their new relationship with Lexus was that it modified the Heffners' pre-existing business philosophy, resulting in the transformation of their "customers" into "guests". From the moment the Lexus brand made its appearance, the company pursued a dual objective: not only did Lexus want to provide their customers with an outstanding automobile; they were

focused on creating an exceptional overall automotive experience as well. To this end customers were regarded as "guests" and customer service was paramount. With this philosophy, Lexus shook up the luxury vehicle market so completely that within only one year they had become the leader in customer service in the luxury vehicle market around the world.

Customer service had always been an important part of the Heffner Toyota experience. In fact, this was one of the main reasons that Lexus had chosen them as a candidate for a Lexus dealership in the first place. John Sr. had always been extremely conscious of providing outstanding customer service, as he was a mechanic by trade, and knew the importance of not just selling a car but also servicing the ongoing needs of his customers. Furthermore, to this very day he is grateful for the opportunity he was given to come to this country and follow his dream as well as for the assistance and support he received from family, friends and business partners alike. As a result, customer service and gratitude have always been integral parts of John Sr.'s business philosophy. Not only did he pass these values on to both his sons, but John Sr.'s entrepreneurial approach proved to be a great combination with the new "guest" philosophy that Lexus Canada was imparting to its dealers. Implementing this philosophy meant that the Heffners began focusing even more on the overall experience of their "guests" and it became the primary driving force in each and every aspect of their business. This subtle but profound shift marked the birth of the company's new slogan: "You're part of the family".

While continuing their father's legacy as part of the new Heffner Lexus philosophy, it occurred to Willy and John Jr. that there was no



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reason why the new “guest” approach should remain limited to the Lexus side of their business. Realizing that the new Lexus philosophy was a perfect fit, John Jr. and Willy decided to make it the cornerstone of all of their business activities in the future. The “You’re Part of the Family” philosophy has been the Heffners’ guiding principle ever since its inception in the early 1990’s. It is a living and breathing principle that constitutes the foundations of daily operations, as it continues to adapt to the ever-changing realities the business is exposed to each and every day. John Sr.’s core values and principles continue to be the cornerstones of his sons’ business philosophy in their dealings with employees, customers/guests and the broader community alike.



A visit from Mr. Sakai. Mr. Sakai was instrumental in setting up the Lexus brand in North America

From his earliest days as an entrepreneur, John Sr. recognized that employees play a crucial role in the overall success of any business. Consequently, his employees were more like extended family to him. Under John Sr.’s leadership, his staff always knew that they could come to him in case of need, crisis, or just to chat. That very philosophy still holds true today, as both John Jr. and Willy continue their father’s ‘open door’ policy and are always willing to listen to what their employees have to say. As part of the “You’re Part of the Family” philosophy, John Jr. and Willy have further expanded this basic premise of caring for their employees to include things like an Employee Profit Sharing plan, an on-site gymnasium which employees are able to use for free, an employee assistance program for employee counseling, as well as the continuation of the annual company Christmas party which is a tradition that was started by John Sr. over forty years ago.

Marketing and Community support initiatives constitute the second integral component of the Heffners’ business philosophy. From his earliest days in Canada, John Sr. has always been a strong community supporter as a way of expressing his gratitude for the opportunities that he was given. As the business grew and prospered, opportunities to expand his community involvement increased as well. During one of their regular meetings with their father in the early 1990’s, Willy and John Jr. presented the idea to expand the company’s current level of community involvement by moving some of the money used for advertising into a new ‘community development’ budget. John Sr. gave the idea his instant blessing, and suggested the sons work with the idea and see what could grow from it.



Realizing that the launch of a separate community development fund would subject the dealership to a great number of requests, John Jr. and Willy immediately recognized the need to develop a set of criteria to guide them in their decision on how these funds were to be invested. Since one of the goals of this program was to give back and help the community that had supported the dealership for so many years, it seemed only fitting that the Heffner business would support initiatives aimed at helping people and families in need. Correspondingly, the first pillar of what would become known as the Heffner Community Investment Program was to lend support to “organizations that deal with children and families in need or crisis”.

Involvement in Music and the Arts was another great fit with the John Heffner Sr. legacy, since from his early days back in Hungary music and dance had always been part of John Sr.’s life. Furthermore, both John Jr. and Willy had grown up with music and dance as they took accordion lessons and spent most of their teenage years in Ballroom and German Folkdance groups at the local Schwaben Club where the family had been long-term members. Convinced of the positive effects that Music and the Arts can have on the population at large and on the family unit in particular, John Sr., John Jr. and Willy decided that the second pillar of their Community Investment Program would be to become involved with Music and Arts Organizations in the community. To this day the Heffner business lends its primary support to initiatives in the two areas outlined above. Due to the number of requests they receive each year, however, the family’s Community Investment Program supports other organizations/charities outside of these parameters as

well - with the total number of organizations benefitting from the program approaching 300 on an annual basis.

Support in the area of community involvement – that is helping organizations that support families/children in need, includes long-term partnerships with KidsAbility, Family and Children Services of Waterloo Region, the Catholic Family Counseling Centre, Anselma House, YMCA and YWCA, among others. Community initiatives like the Lutherwood Music Therapy program which has received support from the Heffners as well, are crossover projects that combine both pillars of the Heffner Community investment program.

When approached in 1991 to become a sponsor of Starlight Express, which was coming to the Centre in the Square in Kitchener for an extended run, the Heffners decided to make the Centre in the Square the first major arts organization to receive their support. This was followed by support of a Kitchener Waterloo Symphony Pops concert two years later. Support of these two organizations has grown over the years to the extent that at present the Heffner business has been the Season Sponsor for the Centre in the Square each and every year since the mid-1990s, as well as being a sponsor of the KW Symphony Pops Series on an annual basis since 1993. Involvement with the Symphony took on another dimension when, in 1993, Willy joined the Board of Directors, a position he has held ever since. Support for music and arts organizations has now branched out to include other smaller community theaters and music festivals as well.

As their Community Investment Program has grown and matured over the years, the Heffners have found themselves



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focusing on developing long-term partnerships with community organizations rather than focusing strictly on cash donations. Two outstanding examples of this approach are the Ray of Hope organization, and Big Brother Big Sisters of KW. The Big Brother Big Sister organization has been running an annual *Bowl for Kids Sake* fundraising campaign for many years now. With both Heffner sons being avid bowlers, and receiving support from staff who form the nucleus of the Heffner Toyota Thursday night bowling team, the dealership has been entering a team in this annual fundraising since 2005. In fact, during the 2008 event, the bowlers from the Heffner



The Heffners are shown here together with the conductor of the Kitchener-Waterloo Symphony, symbolizing their company's partnership with various cultural and arts organizations through the Heffner Community Investment program

dealership raised in excess of \$6,000 for the charity, receiving a special recognition as continuing to be the lead fundraiser in the Automotive Category. One of the Heffner bowlers further received recognition for being the leading individual fundraiser in the entire event. This was especially pleasing to both John Jr. and Willy, since part of the company's community support philosophy is to foster their employees' involvement in the Community Investment program.

Ray of Hope is another organization that the Heffner brothers have been supporting for many years now. One of Ray of Hope's

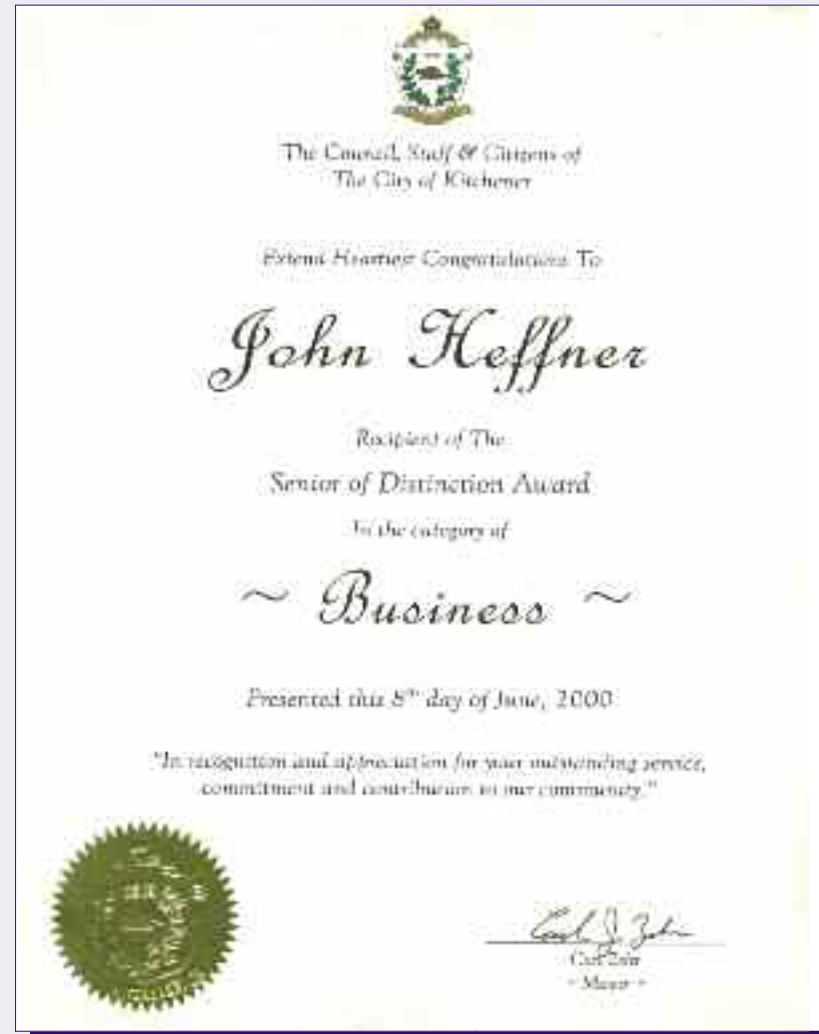


John Heffner Sr. with his sons after being presented with an award by the German-Canadian Business and Professional Association of Kitchener-Waterloo



many community initiatives is the Morning Glory Café, which assists teenagers and young adults, who have been facing serious challenges in their personal and family life, in developing life skills so they can regain regular employment in the future. When John Jr. and Willy were planning the new Heffner Toyota building in 2004, one of their goals was to have a café for the use of their guests and employees. Since the Ray of Hope Morning Glory Café program was a perfect match with their own Community Investment program, the decision was made to invite Ray of Hope into the dealership. The Morning Glory Café in the new Heffner Toyota building has been a great success ever since it opened in September 2005. As part of the partnership between Heffner Toyota and Ray of Hope, the Heffners supply the facility rent-free to the Café, as well as providing on-going support to help run the café for the benefit of their guests and their staff. In many ways, the Heffners' Community Investment Program is a simple continuation of the original vision set out by John Sr. - a vision that focused on exceptional customer service, family, community and the symbiotic relationship that can strengthen the bond between all three elements.

The new showroom to house the Lexus dealership was not the only construction undertaken in 1990. The Heffner brothers recognized that in order for their Used Vehicle and Service departments to continue to grow, some additional investments had to be made. Traditionally in the retail Automotive Market, it is the new vehicle departments that get the nice showroom, new furniture and open airy spaces whereas the used car departments are relegated to whatever leftover space is available as well as hand-me-down furniture. Likewise, the cleaning and detailing area is normally



In 2000 John Heffner Sr. received the Senior of Distinction Award from the City of Kitchener



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allocated only very limited space that is to be shared with the service department. Naturally, this practice limits the ability of cleaning and detailing departments to provide the highest standard of service possible. Reflecting their commitment to set the standard in customer service and treat every customer as a guest, John Jr. and Willy identified these two departments as areas where they could make significant improvements and set their business apart from the competition. In order to achieve these improvement goals, they undertook a project to build a large indoor used vehicle showroom, as well as a separate four bay cleaning and detailing centre.

These types of piece-meal renovations continued over the next decade, including an expansion of the body shop, a further expansion of the cleaning and detailing facilities, the addition of two express-lube bays as well as an expansion of the administrative department. It was during this period of constant renovation and construction that the family members were presented with their greatest personal challenge to date. In 1995, as mentioned earlier in the book, Mary Heffner was taken ill. Naturally, John Sr.'s primary concern transferred away from the company as he focused on taking care of his beloved wife. Over the course of nearly five years, as John Sr. dedicated his time to caring for Mary and searching for a cure that would, unfortunately, never come, an important transformation took place in the structure of the business. During that time the company founder's role in the business changed from being involved in the day-to-day operations to becoming a mentor and counselor to his sons. This was the time when Willy and John Jr. took on full responsibility for the day-to-day operations of all the family's businesses (automotive, real estate and leasing). Following the

unfortunate passing of Mary Heffner, which was a very traumatic event for the entire family, John Sr. never returned to his active day-to-day operational role in the businesses. He has, however, retained his mentor and counselor role, lending advice and help to his sons whenever necessary to this very day.

As the Heffners' professional relationship with the Toyota Corporation grew closer and closer over the years, they decided that instead of divesting into other new vehicle franchises they would stay a one-franchise family. Based on their conviction that the Toyota corporate philosophy of Quality, Dependability and Reliability (QDR) was the perfect match for their own “You're Part of the Family” philosophy, Willy and John Heffner have been focusing on continual improvements within their existing business, rather than expanding the breadth of their ventures on the automotive side. This has further allowed them to keep developing the real estate and leasing side of their operations, as well as imparting the “You're Part of the Family” philosophy to those aspects of their business activities as well. The core principles of the family's involvement in real estate and the rental market are to ensure that their properties are well maintained and visually pleasing to both their tenants and their tenants' customers alike, as well as treating their tenants fairly and equitably. Just as it is in their automotive business, the cornerstone of the Heffners' real estate philosophy is to establish long-term relationships with their tenants, rather than applying a “quick buy and turn for a profit” philosophy. This same approach also applies to the family's leasing companies, which are built on the belief that every customer is unique with a different set of needs to be accommodated. The Heffner brothers' philosophy with regard to



their leasing companies incorporates the notion that sometimes people need a break and/or a lending hand to get a new start after having encountered difficulties and challenges, just as their father, John Sr., had needed someone to believe in him when he was new to this country.

Sometimes a single word brings forth fearful reactions in human beings. Within the Heffner family, the word 'construction' has such connotations, as the dealership has undergone massive renovations and expansion almost every year since 1990. With the business in the middle of another extensive growth period, sometime in 2001, John Jr., perhaps only in jest, uttered that dreaded word again – "construction"! A look at sales numbers at the time clearly supported the conclusion that it was time to expand once again. From the time the business had moved to its current location on King Street in 1987, annual new vehicle sales had increased from 604 in 1988 to 1,387 new Toyota vehicles plus 263 new Lexus vehicles in 2001. On top of that, the business had sold 579 used vehicles in 2001. This sharp increase in sales numbers had been accompanied by growth in all other departments as well, including service and body shop, parts and detailing. In fact, to ease the constraints in the service department as well as to provide a greater level of service to their guests who were requesting increased availability during non-traditional servicing hours, a second shift had already been introduced to the service department in the early 1990's. In addition to this shift that operated until midnight on three evenings per week, the company had further assumed full day's operations on Saturdays as well. Corresponding with the overall growth of the business, the number of employees had increased from approximately 40 in 1987 to over 82 by the turn of the century.

While the Heffners' own business philosophy and their commitment to excellence were instrumental in the growth outlined above, this was not the only factor. There had been a shift in the perception of Toyota in the eyes of the Canadian customer as well: as Toyota had established and was constantly expanding vehicle production plants in North America, the company was no longer seen as an importer of foreign-built cars, but more so as a domestic manufacturer. Combining this change in perception with the undisputed quality and reliability record of Toyota's product, it had become impossible to look at Toyota in traditional ways any longer. After they had been exposed to some of the plans and directions Toyota was envisioning for the company's future in the Canadian automotive market, John Jr. and Willy felt very strongly that it was time for a radical shift in their own approach to the dealership. Expecting that Toyota would experience a period of unprecedented growth in the Canadian market in the near future, the two brothers felt that piecemeal renovations as well as additions to existing buildings were not suitable any longer to handle the wave of growth that they felt was on the horizon. A detailed analysis of the property the dealership was built on, however, revealed space limitations and size constraints which would not allow for the size of expansion John Jr. and Willy felt was needed to accommodate the future needs of their business. The only way to facilitate expansion at the envisioned scale was by adding more frontage to their property along King Street. As if through a stroke of luck, or incredible timing, the Heffners learned that a six acre parcel directly west of the current site on King Street had been listed for sale. The site, which had been home to a Humpty Dumpty potato chip factory for many years, had



been empty ever since the factory building had been demolished. The brothers quickly arranged for the purchase of the site with the agreement being finalized in mid-2002. Although this acquisition added a great deal of development land to the existing dealership site, there were still a few hurdles to be overcome before the intended business expansion along King Street could be undertaken. Most notably, there were two old houses located directly on King Street, occupying a small amount of land in-between the dealership and the newly acquired property. Naturally, John Jr. and Willy had their eyes set on acquiring these two lots as well, as this offered the opportunity to close the existing gap in their frontage along King Street. Since one of the two houses had been used for commercial purposes in the past already, it had the proper zoning. The other house, however, was a private residence with an elderly lady actually living there at the time. Upon meeting with the resident, it became clear that she had been considering selling the house for quite some time, to move closer to her children who were residing out-of-town. The Heffners arranged to purchase the house as well as giving an allowance to assist her in the move. The purchase of these additional two parcels completed the land acquisitions required to accommodate future business growth and expansion from the dealership's existing location. Altogether the Heffners had assembled a 21 acre parcel with over 760 feet of frontage along King Street.

Construction on the newly acquired lands adjacent to the existing dealership was delayed by nearly one full year due to the fact that the property was divided into a 1/3 - 2/3 split by a 12-metre wide Hydro corridor. In order to have the property serve the needs of

the car dealership, it was critical to be able to allow vehicular traffic to flow through this corridor. When Willy and John Jr. approached the Ontario Realty Corporation, that is the real estate component of Hydro-One (formerly Ontario Hydro), they were pleased to learn that they could purchase a long-term easement for these lands to facilitate their expansion plans. Despite the Ontario Realty Corporation's almost instant willingness to accommodate their request, it took almost two full years to complete the legal transaction, as extensive legal documentation was required before the easement could be legally acquired.

The first phase of the following construction process commenced with the design and building of a brand-new stand-alone Used Vehicle Centre for the Toyota dealership at the west end of the building site. In keeping with John Jr.'s and Willy's desire to make their future customers' experience while purchasing a used-vehicle equivalent to that of purchasing a new vehicle, the new building was designed to include a 25 plus vehicle indoor showroom, as well as an outside display area for over 100 vehicles. Furthermore, the design included spacious offices for staff, and other amenities such as a guest lounge with television, as well as a children's play area. As often is the case with construction projects, additional challenges presented themselves throughout the construction process. When it was discovered that there was water on the site, the decision was made to raise the entire building nearly 2.5 feet. Furthermore, the soil on the site turned out not to be suitable to hold the new building, necessitating excavation to augment the soil. Since it now had become necessary to dig deep down into the ground to remove the soil, it made perfect sense to Willy and John Jr. to put a full basement



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under the entire building. As a result, they ended up with a 12,500 square foot used vehicle showroom/office area, plus a basement of the same size to be used for storage. When the facility opened in October, 2003, the entire used vehicle operation of the Heffner business was transferred to the new location.

While the Used Vehicle Centre was still under construction, the design process for the second building in the vast expansion project – the Heffners' new Toyota vehicle sales and service centre - was well underway already. The original plan had been to start construction of this building in the spring of 2004 to avoid having to build through the winter months. Many delays in permits and approvals (including the previously mentioned Hydro Corridor

issue), however, delayed the start of construction until November of 2004, adding significantly to the time required for completing the project as well as to construction costs. When the new facility finally opened in September, 2005, it was a showcase for Toyota throughout Canada. With an overall size of 62,500 square feet, the Heffners' new vehicle sales and service centre was the single largest Toyota dealership in Canada. To this day, it still ranks within the top 3 Toyota dealerships in Canada. In keeping with the Heffners' business philosophy, many amenities were integrated into the building to serve guests and staff alike. For instance, the new facility featured an 8-vehicle drive-in service reception area as well as a drive-over express lube bay, allowing two vehicles to have



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“while-you-wait express lube oil changes” done at the same time. Other distinguishing features of the new building where the aforementioned Morning Glory Café, two television-equipped customer lounges including an internet-café, a children’s play area, an outside golf putting green, an on-site gymnasium for the staff to use, as well as augmented indoor off-season tire storage (a service that had been growing in popularity over the years). The landscaping was very unique as well. With a storm-drainage creek running underneath the centre of the new building, there was a large naturalized area around the creek that provides an open green space for the enjoyment of guests and staff alike. Typically, the vehicle dealership of the past had consisted of pavement, a building, a parking lot as well as cars. Since both John Jr.



and Willy are avid gardeners, it was their intention from the very beginning of the planning process to design a site that allowed for the blending of commerce and the environment. In reflection of that goal, the two most noticeable features on the site are two bridges that cross the storm water drainage creek - arguably a one-of-a-kind site in the country. Furthermore, it was vital to both John Jr. and Willy that two large oak trees that were present on the site became integrated into the landscape design.

Reflecting the Heffners’ desire to be as environmentally-friendly as possible, many more unique attributes were incorporated into the building, including an in-floor hot water heating system, rather than the traditional roof-top mounted forced air heating technology. This



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more efficient heat delivery system reduced the heating requirements of the building by almost 30%. Furthermore, the building is already wired for the future addition of either solar electrical generation, or wind-powered generation, a step to be undertaken the moment either technology becomes economically feasible.

Throughout the various stages of the construction project, John Jr. and Willy benefitted from their father's expertise. As this was by far the largest and most complex construction project the Heffners had ever undertaken, the sons were grateful for John Sr.'s unconditional willingness to help guide and direct the expansion. John Sr.'s guidance extended to the completion of the service and parts department as well, as brand-new equipment needed to be



procured for virtually each and every aspect of the department. The business founder's knowledge of the mechanical side of the operation was instrumental in ensuring that nothing was overlooked.

Parallel with the construction of the new Toyota building, renovations were also underway to the dealership's original used vehicle sales showroom to turn it into a temporary Lexus sales center. The plan was for the Lexus sales team to move into this modified used-vehicle sales center until construction of their new permanent home in the original Toyota building was completed as well. Upon completion of the renovations to the old Toyota building to become the new stand-alone Lexus facility, they would then move into their new home, allowing for the transformation of the former used vehicle sales center into a new Luxury pre-owned sales center some time in the future.

Once the new Toyota building was completed in September 2005, the original building that had housed both Toyota and Lexus was vacated of all sales, service and parts activities. Renovations to turn it into the new stand-alone Lexus facility began almost instantly. All that remained in the building was the body shop at the rear of the site, where it continues to operate to this day. The entire Lexus renovation took the better part of a year, as several major structural changes needed to be incorporated into the building design to accommodate



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the new Lexus facility requirements. When renovations to the new Lexus facility were completed in August 2006, the building became the new permanent home to Lexus Vehicle sales as well as to the Heffners' first stand-alone Lexus Parts and Service Department (prior to that Lexus service had always been handled within the confines of the Toyota service department). The new Toyota facility was introduced to the public with a Grand opening held in March of 2006. The Lexus building had its Grand Opening in October of the same year.



The ribbon cutting ceremony for the grand opening of Heffner Toyota at 3121 King Street East, Kitchener. From left to right: John Heffner Jr., Mayor Carl Zehr, John Heffner Sr., Willy Heffner and Tony Wearing (Senior Managing Director of Toyota Canada Inc.)

The final component of the large-scale expansion and renovation project was to transform the space that had been allocated to the first indoor-used vehicle showroom in 1992, and which was later used as a delivery centre for new Toyota vehicles, into a large training centre for staff members. With staff numbers approaching almost 150 employees, the dealership was clearly missing a facility large enough to house full staff meetings - which had become an annual event since the mid 1990's. In addition, many other departmental meetings, as well as New Vehicle orientations nights for new owners



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required an appropriately sized facility as well. Furthermore, as part of their commitment to support the community by means of the Heffner Community Investment Program, the Heffners were determined to provide charities and community organizations that were finding it difficult to locate cost-efficient meeting facilities with a place for their use as well. In keeping with this philosophy, the Heffner Training Centre, as it became known, has been made available to a great number of such organizations on a no-charge basis. The company's two board rooms are offered on the same basis as well. Regular businesses are also able to rent the facility for a minor charge, with all proceeds being passed on to charities.

The only two departments that have not received a new home since 2003 are the Body shop and the Auto Cleaning and Detailing Centre.



Willy Heffner with his two sons Steve and Nick

New construction and renovations for these two departments are currently in the planning process, slated for completion in 2010. By that time, the dealership will have been transformed from the original 1987 building, which was only 30,000 square feet operating on 3.75 acres of land, to five buildings, totaling 175,000 square feet operating on 16.5 acres of land. This is John Jr. and Willy Heffner's continuation of the original vision that their father John Heffner Sr. had when he came to this country in 1957 - a vision based on the dream to build both a business, and a better life for his family. As his two sons and heirs to the John Heffner Sr. legacy, John Jr. and Willy Heffner hope that the new buildings will stand as a testament to this, their father's vision.

It appears that the family business is well on its way to a continued existence. John Jr.'s two daughters Lori and Kristin worked for the



My granddaughters Kristin and Lori



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*My granddaughter Lori Straus with her husband Corey
and their son – my great-grandson – Khristopher*

business at times during their school years. Their decision to pursue their love of arts in their careers fits in nicely with one of the two areas of the family's community involvement through the Heffner Community Investment program. Willy's two sons - Nick and Steve - are both working towards a permanent future in the family business. As they are currently pursuing College courses in Automotive and Business, with an eye to joining the family business full-time, they will be carrying the Heffner legacy into the third generation.

It was at the time of the Grand Opening of the new Toyota facility in 2006 that John Jr. and Willy presented their father with a



*My granddaughter Kristin with her husband Michael Werner
and their son – my great-grandson – Xander*

gift that they hoped would fulfill another one of his life-dreams. For many years, John Sr. had expressed his desire to chronicle the journey of his life by writing his memoirs. Knowing that none of the immediate family members were gifted with strong writing skills, the sons presented their father with the gift of hiring a professional writer to allow him to undertake this project so important to him and the family. This book is the combined result of John Sr.'s determination to record his life trajectory and his sons' desire to honour their father's legacy.

(Dr. Ulrich Frisse, LL.M.)





GRAND OPENING OF THE NEW HEFFNER TOYOTA DEALERSHIP



MARCH 23, 2006





LEXUS

KEFFNER

GRAND OPENING OF THE NEW HEFFNER LEXUS DEALERSHIP



OCTOBER 26, 2006



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