
OPINION COLUMN

McDougall Energy keeps growing – PRESIDENT'S PEN

James Caicco

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Sault St. Marie Chamber president James Caicco (left) stands with McDougall Energy president Darren McDougall.

We're continuing our series of interviews of Chamber of Commerce members. Our running theme this year is 'Showcasing our Businesses'. The following is part of an interview that I conducted with Darren McDougall, president of McDougall Energy.

James Caicco: McDougall Energy started as a family business, and it still is, correct?

Darren McDougall: Yes, I'm third generation. My grandfather started it in Thessalon, and then expanded along the north shore into Sault Ste. Marie, and later to other regions.

JC: How extensive is the business now?

DM: Well, we have 15 offices throughout Ontario and we have significant business in British Columbia as well. We're one of the largest Esso distributors in Canada. And much of the growth I'd say has come in the last ten years.

JC: How many employees today?

DM: I'm going to guess around 200, and probably another few hundred indirect [through third party].

JC: The Sault is your home town and you have significant roots locally and maintain a head office here.

DM: Yes. In other parts of the province or country, people ask me where our corporate office is because I spend a lot of time in Southern Ontario and we have had a lot of growth there. But for us, it's been a simple decision. Other companies that get to be our scale might consider moving their head office to a major centre, but we've never... All of our back office is here in the Sault. We centralize everything here from credit to payables, I.T., all of our corporate services... whether in British Columbia or Southern Ontario... it's all centralized here in the Sault. Our roots are here; our families are here; we've got a lot of our employees that I went to school with that are here, and they join us and they spend their career with us.

JC: How have you succeeded in such a competitive industry?

DM: Our relationship with Esso has spanned three generations. A lot of the major oil companies have been divesting their assets in the 'downstream petroleum space' where we play. Because of our long-term relationships, we have been able to buy a lot of businesses and grow through acquisition. Once we get into a market through acquisition, we focus on organic growth. We find that's the most efficient and quickest way into a market. But as our suppliers have been looking to divest business interests, we have been looking to buy them, and they sell to companies that they do business with that they can trust that are stable, so we have been very fortunate to be able to capitalize on that.

JC: What are some of the challenges that you faced on the way from bringing McDougall Energy from a family business to a corporate structure.

DM: As an entrepreneur, you have 4,000 ideas in your head and you want to go out and execute all of them, but you can't physically or mentally do it. A lot of people say it's about people, and for us it is. When I first went out and started hiring executives, we started with about ten employees, we were very small, and the first step you have to understand is that you have to bring in very good people. For an entrepreneur it's hard because typically entrepreneurs are 'control freaks'. For an entrepreneur that's very hard to give up. You bring people in but if you don't empower them to make decisions, they're not going to stay with you. So through a lot of research and reading and talking with entrepreneurs that had been successful and some that hadn't, for me that was kind of the day of reckoning. I had to bring in good people and trust them to make good decisions. It almost becomes contagious because once you do that, you see the results... they can do what needs to be done when you're not trying to control everything. I spent a lot of years recruiting my team. Some came home. I was fortunate enough to have some people that wanted to come back to the Sault that had the qualifications, the skill sets and experiences that I was looking for and obviously some from within our community. That allows me to do what I do best, which is business development and strategy of the company and leave the day-to-day to very capable people.

JC: So what's the outlook for McDougall Energy? What's next? Do you see growth opportunities?

DM: To me, in business you're either growing or you're shrinking. To me, complacency is a terrible thing. When I started in this business, we were a small company with big ambitions, and when other people were complacent, for us that was very good. We're a company that's wired to grow and every day we're looking for opportunities. Our industry is very fragmented in the downstream petroleum sector, so there are a lot of opportunities for us to keep growing. We're a private business, so we can grow at our own pace... we don't have pressure from public markets to grow. Decisions are local. We decide when, where and how we want to grow, and who we want to grow with. We're absolutely going to keep growing, that's our passion.

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