

Big City Business in Small Town Alberta

Scott Tannas has grown a High River insurance company into an 80-plus agency network and launched the first chartered Canadian bank in more than 26 years

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Tall and amiable, Scott Tannas

embodies the ideal of small-town Western Canada with his easy smile, direct gaze and firm handshake.

And when a septuagenarian in a half-ton stops at a corner in downtown High River to tell Tannas he's done good, that homegrown feeling couldn't be stronger.

On a warm day in early September, the 45-year-old founder of Western Financial Group is standing in front of the old sandstone building the former Hi-Alta insurance agency had called home since 1905. The company went public under Tannas's leadership in 1996, and almost two years ago moved from three buildings in a central downtown High River block into a new 30,000-square-foot headquarters just off Highway 2.

But Tannas wanted to keep a presence downtown, and decided to refurbish the historic structure into the flagship branch of Bank West, one of three core businesses.

The refurbishing project is one of the few he's undertaken which has gone over budget and behind schedule.

"Holy smokes, there's a lot of work to be done," he exclaimed, walking through the wood shavings and over the debris of construction inside the gutted building.

The original opening date for the \$600,000 project was mid-September, but even a blind optimist would have problems swearing to it, and blind the man isn't.

Since joining Hi-Alta in 1993, Tannas has bought it out, built the company's business of **property and casualty insurance brokerages** into the fourth largest in Canada, added life insurance and banking services, and kept ahead of business trends.

Tannas is better known for being a stickler when it comes to budgets than a spendthrift,



CREDIT: Lorraine Hjalte, Calgary Herald
Scott Tannas, the 45-year-old founder of Western Financial Group, became intrigued by the general insurance industry because of the people aspect and, he admits with a grin, the good hours.



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Western Financial Group president and CEO Scott Tannas comes across as unhurried, but very focused on the job at hand.

a financial discipline that has seen revenues shoot up to \$82.6 million from \$66.6 million in 2005.

Western Financial has acquired dozens of insurance agencies across British Columbia, Alberta, Saskatchewan and Manitoba over that time.

Yet amidst it all, Tannas manages to come across as unhurried and focused on the moment, whether in an interview or chatting with new employees during monthly training sessions.

Perhaps that easy-going demeanour misled his parents to believe Tannas needed a degree to make something of himself, prompting mom Christine, a nurse, to enrol Tannas into Mount Royal College. But the lanky young man got restless in class and quit after a semester to find a job.

Tannas thinks she and dad Don, a school principal, might have forgiven him by now.

It would be hard not to.

In the past 15 years, Tannas has grown a local insurance company into an 80-plus agency network and launched the first chartered Canadian bank in more than 26 years, offering clients GICs and term deposits, personal and commercial mortgages, leases and loans.

"The thing that impressed me is that Scott is able to lay out a vision of where he wants to take the company, and then he's actually heeded against that," said investment analyst Brian Pow, with Accumen Capital Partners.

"They've put parameters in place that has allowed them to achieve their business model and haven't gone outside of that."

The group first offered auto, home, farm, business and specialty insurance, then added investment services such as registered retirement savings packages, financial planning, and stocks and bonds.

When Tannas saw big financial institutions eyeing the insurance business, he launched banking services.

"The rules were changing around who could sell insurance," Tannas told a group of new employees.

"Now banks can, and they are monster size. That's scary."

Opening a bank in Canada isn't a common occurrence, said Michael Goldberg, an analyst with Desjardins Securities in Toronto.

"It was an auspicious development when it happened," Goldberg said. "There are very few domestic banks, and Bank West was a fairly unique kind of situation."

The main purpose of the bank was to take advantage of the extensive network of small and mid-sized markets the group already had, and increase Western Financial's weight in the financial world, he said.

Once the company got permission to launch the chartered bank, it approached all Western Financial insurance clients who had mortgages and offered a tidy package. The direct sales ploy worked: Bank West revenues have doubled each year since opening with \$49,000 the first quarter of 2003.

By the same period in 2007, the financial institution had increased revenues to \$2.8 million, on increased interest income and rising deposit levels.

The group expanded its reach in Western Canada Oct. 1 on closing a deal to acquire Ubiquity Bank of Canada, owned by Abbotsford-based Prospera Credit Union, increasing Bank West's combined asset base to more than \$300 million.

Tannas started out in a small -- it had four employees -- travel agency. By the time it was bought out by CP Rail Hotels, Tannas had helped build the business into one with 100 employees, and was recruited into the larger organization.

The transition from a customer-oriented, but chaotic practice, to one of corporate discipline was challenging and eye-opening.

"I learned that when you're the largest around, just about anything is possible, as long as you have discipline," he said.

Tannas brought the lesson with him to High River when he moved back with wife Taryne in the early 1990s to raise their children in the quiet community south of Calgary.

He became intrigued by the general insurance industry because of the people aspect and, Tannas admits with a grin, the good hours. "I thought it had to be a good lifestyle because every insurance agent I knew was a good golfer," he said.

Tannas started on the ground floor as a customer service representative, working his way into a sales position by year two, looking for new business. Same old-same old just didn't work for Tannas; he highlighted all High River business in the phone book which didn't do business with them, and called them up. Let me check out your existing policy, he pitched.

If I can save you money, come with us.

That year, Tannas did just under \$1 million in new business.

"It was a good lesson that you don't always see what's happening in your own community," he said.

The town of High River, like many within a 200-kilometre radius of Calgary, has been undergoing a revival in the past five years.

Each quadrant of the town of 12,000 either has a new housing development, one being built or one in the planning. Mayor Leo Rempel has built quite a few houses in town, including one for Tannas about 12 years ago and several for WFG staff.

The decision to keep the growing financial services company in High River has had a significant impact on the town, Rempel said. Many of the staff live in and contribute to town life, and the downtown development will be significant in maintaining High River's core identity, as well as make downtown more appealing for businesses to stay.

"There's that sense of homegrown ownership," Rempel said. "That helps build a loyal and appreciative customer."

Currently the publicly owned company boasts 5,000 shareholders, and is 60 per cent owned by employees, a major selling point when courting new agencies.

"In the early days, it was about who was running the business," Tannas said. "Now it's more about the community."

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