

Jeff Dirks:

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Mike Paton:

Hello everybody. This is Mike Paton, again with the EOS Leader podcast. And today I have the distinct pleasure to be speaking with Jeff Dirks, founding partner and president of KBL Environmental. Jeff grew up on a dairy farm in a family literally full of entrepreneurs. For him the question wasn't if he would own a business, but when and what.

He's a visionary leader recognized in the environmental protection industry as an innovator, problem solver, and next-level thinker. And his organization has gone from bootstrapping 10 years ago to a well-respected industry leader doing 40 million in revenue with 120 employees. Jeff, thanks again for being here today. Welcome to the show.

Jeff Dirks:

Yeah. Thanks. Appreciate that Paton.

Mike Paton:

You bet. I always like to start with letting you tell your entrepreneurial story. From the first moment maybe on the dairy farm when you were thinking about what running a business or owning a business looked like, to where you are today, at whatever pace and with whatever details you want to share.

Jeff Dirks:

Yeah, sure. The first thing that comes to mind on the subject, growing up on a dairy farm there was never any shortage of work, and at certain times of the year, that demand and workload even grew stronger. So I learned how to milk cows when I was somewhere in the neighborhood of eight years old.

And we always had hired help as well, but in peak seasons being primarily the summer when we were building feed for the cows and whatnot, there is a particular increase in need for support. Anyways, long story short, I knew what the hired hands were getting paid. So I basically lobbied for a salary at the age of eight, otherwise I wasn't going to help out on the farm and one of the triggers of maybe, I don't know, negotiation.

Mike Paton:

That would not have gone well in my family, Jeff. I hope it went well in yours.

Jeff Dirks:

Yeah, it went well. Let's just put it this way. I didn't end up earning anything at the age of eight but I got a lot of lessons learned by that one.

Mike Paton:

Yeah. You don't win a lot of negotiations when you're an eight year old talking to your parents, that's for sure.

Jeff Dirks:

A hundred percent. But yeah, we did all kinds of other things as kids as well. We would package decomposed manure from some of the cattle pens, and put it into potato sacks and then go to the local farmer's market and sell it in town or go door to door in town and sell it to town's folks. Those are a few snippets of realizing leadership, entrepreneurship and maybe the beginnings of the arts in negotiation, if you will.

Mike Paton:

Yeah. That's fun. And as I understand it, your father was one of eight kids and seven of them ended up with their own businesses. Is that right?

Jeff Dirks:

Yeah, Absolutely. So dad was the oldest. My grandparents immigrated from Holland and I believe he was likely conceived on the boat on the way over but dad, he's a true visionary. It's impossible not to like them, but the ideas that came from him over the years, whether it was going on a vacation and deciding that you're going to buy a parcel of land because that area's up and coming and develop a waterpark or initiate land purchase to develop condo infrastructure where nothing existed but he could see in 10 years it would be a thriving area. Through to having sideline businesses off the farm, one of which was in the environmental space and where I had my initial introduction at the age of 12ish, but just always shaking, always baking, driving new initiatives.

I would say both him and mom were really the focal points in my life that showed me what true leadership is and still do to this day. They're married 45 years and my mom is an incredibly strong woman. She comes from a psychology background. She had her own practice and a few sideline businesses herself in the realm of career counseling. But just an extremely pragmatic, deep thinking individual who arguably kept some of the hare-brained ideas coming out of my dad's head, in check per se.

So just feel very blessed to have had exposure to two high-horsepower individuals in the context of leadership and it wasn't leadership that was pushed upon us. I've got a couple of brothers that, myself being a middle child, but it wasn't pushed upon us, it was just absorbed because it was natural.

Mike Paton:

If you were to name some of the attributes, you did that a little bit with your mom, but some of the characteristics or attributes of the way your father and your mother exhibited leadership over the years, what are the adjectives or phrases you'd come up with?

Jeff Dirks:

Yeah. Leadership, by example, as cliché as that may be. Analytical, thoughtful, fair, decisive when that was required. Well-respected both of them extremely well-respected and wholesome.

Mike Paton:

Yeah. That's really good stuff. Let's talk about well-respected for a minute. I want to go a little deeper there. What do you think it was about the way they behaved that got them the respect they earned?

Jeff Dirks:

There's nobody in the world that they wouldn't treat how they would want to be treated. They treated anyone the way that they would want to be treated regardless of circumstance. That was shown

through and through, especially through childhood. Whether they were helping the neighbor out or borrowing something from the neighbors and bringing it back to them in better shape than they received it. Yeah. Just a lot of EQ as well, very smart from an emotional perspective.

Mike Paton:

Yeah. Great stuff. Thank you. So fast forward, you're the product of this upbringing. Walk me through how you went from working on the farm, negotiating with your parents at eight, to run a pretty substantial business yourself.

Jeff Dirks:

Another interesting piggyback off of the whole discussion around my parents, as I was leading up to high school graduation, I had it in my mind that I was going to be a farmer. That was not a question. I would become a farmer starting out by working with dad and then slowly transitioning out on my own, and they politely let me know that I would go to post-secondary. And if I still wanted to be a farmer after getting a post-secondary education, no problem.

But they both went to university, both had degrees and they wanted me to have the same journey they did and have the opportunity to make the decision. Not feel like it was necessary to take over the family farm as a courtesy to the family and to dad for that matter, which is pretty common in the farming space.

So I did that and got an education in environmental sciences, quickly moved into the environmental industry. Did not have the urge or desire to quickly run back to the farm. I wanted to explore what it meant to be in the workforce and quickly drove a desire to be more, to gain more experience.

I had a real thirst to learn as much as I could within that space. And that quickly led me into understanding all the technical aspects of the environmental services industry I was in, but as well into managerial roles. By the time I was in my mid-twenties, a small enterprise I was working for at that time was purchased by a larger publicly traded company. Had the fortunate benefit of driving a lot of the due diligence activities as part of that sale or purchase and then the integration once the transaction happened.

And then that cascaded into in my mid-twenties, working for a publicly traded company. Getting involved in trying to find ways to improve return on different assets within the organization, as well as getting my hands dirty in the M&A world. So we were busy time from a local economic perspective. So I was dabbling in targeting acquisitions and getting involved in the due diligence process.

So that was the first, I'm going to say, eight, nine years. At one point there was a key time when I was with that large publicly-traded company jet-setting all across Canada. Getting real comfortable with the corporate career, a lot of benefit, including a nice comp package. And thinking to myself, if I'm going to take the step towards entrepreneurship, I'd better make that decision sooner than later. Otherwise I like many others, will get trapped in this corporate world and that'll be my direction but in my heart I knew that's not what I wanted.

I don't know why. I told myself by the time I'm 30 I will be an entrepreneur. So 27, 28, I incorporated my first Holdco. Was really fortunate through the mentorship of my parents again leading back to that, to my older brother and I had bought some farm land, some different rental properties when we were 20, 21. Developed a lot of equity in those properties.

So my brother and I started our first company as a hobby at 27, 28. And yeah, and then it would have been 28, 29 had an opportunity to acquire 50% of an environmental company and did so. And then

literally two days before my 30th birthday ended my employment and started the entrepreneurial journey with no income and no staff and very little revenue.

Mike Paton:

It is easier at that moment. Everything's simpler when there's no staff and no revenue, it's just a little scarier.

Jeff Dirks:

Yeah, that's true.

Mike Paton:

That's an awesome story. So I'm intrigued by the combination of an innate plan in your head and happenstance. And I'm particularly interested in where that voice came from when you were starting to get comfortable with corporate life and you're seeing all the benefits of all this stuff. What is it in the end that had you saying, "This isn't the long-term play for me"?

Jeff Dirks:

Good question. It came off a series of, I was working on a particular project. It was a large ERP. So I was one of two accountable ops folks that was driving a \$20 million SAP implementation. And let's say that was, I don't know, 30% of what I was doing at the time. But it really came to me that I was sitting in all these meetings for the purpose of being in the meeting, but really didn't need to be in the meeting and not only that, the by-product of all these meetings was political. It wasn't for the best interest of the organization.

You're jockeying around politics. People were doing their absolute best to place themselves in a position where they could gain the most, but they weren't looking out for the best interest of the company. It seemed that the true core values of who that organization wanted to be, got lost in bureaucracy and frankly, bullshit. And I definitely want to waste my time living in this political realm. And maybe I can build an organization where people will see the value in just being open, honest, fair, and direct without all the unnecessary red tape and bureaucracy, if you will.

Mike Paton:

Awesome. That's great stuff. And I've heard that story over and over and over again. There's so much you can learn from a large organization that's good and rigor and discipline and the ability to serve customers well, consistently and generate a profit doing so. But man, there's also an awful lot of waste and fat and unpleasantness as well. So let's turn the tables a little bit.

I want to learn a little bit more about your organization because I know for at least half the listeners, the environmental services industry is a big blob and they'd like to learn more. Tell us exactly what kind of business you're in and who you serve and what it is you do.

Jeff Dirks:

Yeah. Fair and well pointed. environmental is now a big word and there are so many segments but we have three primary lines of business. One is we develop and operate industrial waste facilities. We have hazardous-waste transfer facilities where we receive, repackage and send waste streams to vinyl recyclers, or disposal options.

We have soil management facilities where we're receiving contaminated soils. We're either remediating those soils so that they can be beneficially reused or they unfortunately could end up getting disposed of depending on the nature of the contaminant. We've developed some new technology around latex-paint recycling. So we've developed a technology, patented it, and we have a latex-paint recycling operation. So that would be industrial waste facilities.

The second line of business is environmental projects. We manage a lot of end-of-life infrastructure for our clients, primarily government mining, oil and gas. So what that is is we'll do abatement of old infrastructure, so removing all that hazardous materials. We may partially or fully demolished that infrastructure and recycle it.

We could, a lot of times remediate contaminants within the soil and ground water at these sites. And then again, depending on the client, but generally in the oil and gas or the mining space, we'll reclaim the site so bring it to its natural state. So within that realm we can offer one or all of those services depending on the scope and size of the project.

Mike Paton:

Is that the way you planned this organization out to involve that broad range of services or has it morphed into the organization it's become off of your original plan?

Jeff Dirks:

Yeah. So I think like a lot of entrepreneurs, when you start out, you're hungry and you're chasing a lot of squirrels and the boundaries or the ditches are really wide. So admittedly being in such a broad base of service is some of it was a by-product of the organization's infancy where we're running and gunning and tackling all opportunities. But getting to the size of realizing, being a medium-size enterprise, we're less opportunistic. We're more strategic, which I'll tell you has been a difficult transition for me personally.

Mike Paton:

Yeah. Well we like chasing squirrels, Jeff. Once you become an effective squirrel hunter you want to keep doing it.

Jeff Dirks:

Yeah. And that's where for me anyways, very disciplined and strong vice-president holds me accountable to which squirrels I'm chasing.

Mike Paton:

That is a very effective description of the visionary integrator relationship in a few short sentences, so thank you for that.

Jeff Dirks:

Yeah, absolutely. But now just to wrap it up, at this stage those business lines compliment each other very well. So, if we're generating waste from our projects group there's a nice tie to our waste facility, so the materials end up at our own facility. And as part of all of that, our third line of business is waste logistics. So we have a fleet of purpose-built trucks. We have anywhere from 30 to 100 running in Western and Northern Canada at any given time.

And again, it's all servicing those two lines of business being waste facilities and environmental projects. So the short answer is it's all intentionally integrated. Our growth will be focused on both organic and inorganic, so acquisition opportunities within the boundaries of the road that we're driving down today.

Mike Paton:

And tell me about your geographic footprint. Where are the projects you're working on throughout Canada, North America? What's your footprint?

Jeff Dirks:

We cut our teeth in the North. So our first operation we're in Northern Canada. So there's a small city of about 20,000 people in the Northwest territory's called Yellowknife, and there's a dominance of diamond mining north of that region, about 300 kilometers. So literally in the Arctic Circle, that's where we started. Frankly it really drove a culture of resilience and this idea of getting things done in difficult environments and understanding how to deal with difficult situations.

Long story short, I tell that story because it's important as part of our story and even when we sell our core values to our clients. But long story short, we service all three of Canada's Northern territories into the Arctic, and then all of Canada's Western Canadian provinces, so that's the service. And about 30% of our girls revenue would come from what we call north of 60 so those three northern territories, and 60 to 70% from south of 60 in the Western Canadian provinces.

Mike Paton:

And if I remember the research we did, you have interesting partnerships with indigenous tribes, and you've had to do this collaboratively with the people who call the geography you serve home. Yes?

Jeff Dirks:

Yeah, absolutely. It's an integral part of doing business, not even in the north where it was probably more over a requirement, then I'm going to say in Southern Canada but it's important to everywhere today. And we don't look at those partnerships as a mechanism to access business. We look to build capacity within our partner companies and if we can, we'll build assets in our partner companies as well. So that it's not just KBL or our organization that's benefiting, it's the local folks that are grabbing capacity.

Mike Paton:

Yeah, great stuff. When your teammates, maybe your vice-president/integrator or other members of your leadership team or even members of the rank and file think about you as a leader, what are the adjectives they might use to describe you, good and maybe not so good?

Jeff Dirks:

I would say I'll start with the positive.

Mike Paton:

Yeah, that's a good idea.

Jeff Dirks:

I think they would think that I'm progressive, quick to drive something I believe in. Very direct, fair and honest, energizing. On the negatives I can be overly demanding. I could probably have a low tolerance to mistakes or a lack of patience can be exhausting for some individuals I would think.

Mike Paton:

I'm just sitting here thinking you and I should hang out more, Jeff. It's such a common list of attributes, good, bad and ugly. Right.

Jeff Dirks:

Yeah. But the important part is the beauty is once you really understand who you are and how you tick and the positives and negatives, you can really lean on them as an opportunity.

Mike Paton:

Yeah. And what do you do to work on your own leadership skills? How do you sharpen your saw?

Jeff Dirks:

Yeah. Some of this will be really common too, especially within the EOS community. But I mean, I support myself in peer groups, the likes of EO-IPO where you're meeting regularly with like-minded individuals who share a lot of the same personality attributes or business attributes, but also fighting a lot of the same battles. We obviously utilize EOS, which is good and offers educational components both for myself, the leadership team and even the organization in general.

So there's that and then there's just the function of trying to be consciously aware of everything around you. What's happening in society. What's happening within our sector. I've always sat on one or two boards, whether it be industry specific or not, to keep a guy's pulse on what's happening out there.

Mike Paton:

And do I remember correctly, you've recently formed an advisory board yourself for your own organization, right?

Jeff Dirks:

Yeah. 2020 was obviously a big year, well for everybody around the globe but it was a big year for our company. I navigated a management buyout of one of my business partners, drove a corporate restructuring within our operating entities. And also put together a SIM and secured a couple of minority equity shareholders who now participate on an advisory board for the organization.

And over and above that, that all happened the middle of last year, almost a year. That was July 31st. But in and amongst all that I decided that it was a good idea and we could probably fit an acquisition in at the same time.

Mike Paton:

Yeah. That sounds about right. Well, that was a squirrel.

Jeff Dirks:

And we did, it was 30 days after everything settled but we pulled it off. The integration didn't happen as quickly as I would have liked for the obvious reasons. But anyways, getting back to the advisory board, I feel extremely fortunate to be in a place that I am.

And I don't think it's a coincidence, but one of the fellows that invested, he has been a mentor, a close friend of mine for about 15 years. He's a leader in the environmental sector across Canada. He's either done successful startups or scale ups of about 12 companies in the space and exits of many of those companies.

So he offers a lot in the context of what's around the corner in our industry and he's truly a thoroughbred entrepreneur. He is high energy, high pace, pure visionary. And his older brother, they're both at the point where they're looking at retirement but really aren't looking at retirement.

So they're right around the 60 year old mark and his older brother was a professional executive. So he's really, well-recognized in the public company space as well as the Canadian finance space. He grew a company and took it public. And it was roughly 300 people in size generating 30, 40 million in revenue. And over the course of 10 years he grew it to \$7 billion in revenue plus 40,000 employees. So he's got a different level of thinking. And having those two individuals around a person is just amazing, both personal and professionally it's brilliant.

Mike Paton:

Yeah. So I'm reminded of the John Lucas, the basketball coach once said, "When you find that you're the best player in the gym, you need to find a new gym." And so many of us are constantly wanting to get better. And if we're surrounded by a bunch of people that can't make us better, we got to find a new group of people, and it sounds like you're working really hard at making sure you're always doing that.

Jeff Dirks:

But not intentionally, it just seems to happen as a by-product of I'm not sure what, but yeah, I just feel extremely fortunate to have landed in this position. And the neat thing was, is the mentor who is invested and on the board, his first reaction to helping out with this management buyout was, "I want to introduce you to a whole pile of companies with all kinds of different structures, an offering of many different structures. So let's get that SIM all buttoned up and we're going to go start talking to a bunch of individuals I know. I want to expose you to as many options as possible so that you learn and it'll help you down the road too." So we did that and at the end of the day, I said, "Yeah, I'd like it if you guys would come in." And at that point he had done all the due diligence because he was along for the roadshow.

Mike Paton:

That's awesome. Yeah. And again, we can't discount the value of happenstance in this journey as well. So any regrets as a leader, Jeff, in your journey? Any moments you wish you could do over again?

Jeff Dirks:

Yeah. I mean, of course, because nothing is perfect. Before this triggering of events and in 2020, so the buyout, the restructuring, the new equity I'd set on a journey of, we had to bring in a new leadership team. We didn't have internal capacity, even though we had individuals who wanted it, but they didn't get it nor had the capacity, but they wanted it to see the whole context of GWC.

I would suggest that there were some missteps in how it navigated the people side of bringing external folks in. And I'd say the other side of it was knowing when to transition different roles in the

leadership team. So there were some missteps. One wrong hire took too long to transition one particular role and a very important role to the visionary.

All in all, looking in the rear mirror I may have sacrificed six months of progress. But the other side of that is, again, looking in the rear view mirror and actively listening to some of the managers in the company, if it would have been pushed any harder it could have been an implosion. It was a lot.

Mike Paton:

Well, it's a common challenge, right? You've got a bunch of people who are loyal and longtime supporters and helpers and they're working their tails off and they would throw themselves in front of a bus for the organization. And it's just that what they're capable of doing got you where you are and you want to go some place different and they don't have the skills or experience to do that.

That's the, I think, one of the toughest challenges we all face when we're running a rapidly growing organization. And so to handle that with care and at exactly the right pace with exactly the right solution, I mean, the degree of difficulty there is extraordinary. And we're all going to have a lot of missteps along the way, you just got to do it the best you can and keep moving forward and keep being honest and transparent. Right?

Jeff Dirks:

Yeah. A hundred percent. And this whole concept of the blind window, I can look back on the last 18 months particularly. And I realized that, and our HR managers told me this several times, I'm generally looking six months in advance, but not having any respect for the fact that a lot of people within the company are living today. She said, "You've got to be cognizant to the fact that you're in a position where you're living six months in advance of maybe where the rest of us sit." And whether that's true or not, just the concept was meaningful.

Mike Paton:

Well, one of my clients said early on, my team is constantly reminding me that just because I have a clear picture in my head of the fact that something is possible, doesn't mean the work to build it has been done yet. And I have to slow down and let them build the thing I decided we should do six months ago, before I throw another six month idea at them and that's tough. It leaves the leadership team feeling like they're constantly playing catch up, and it probably puts you in a position to feel like you're constantly being slowed down and that that's the tough part about this work.

Jeff Dirks:

Yeah, you nailed it.

Mike Paton:

Yeah. And that's when it's time to crack open a can of beer and relax for the afternoon so it's all good. It's all good. All right. One last question and then a couple of tactical things. The question is this. Go back to 27, 28, 29 when you've had your, okay, I'm going to need to do this entrepreneurship thing. You're a young leader, you've got your whole life in front of you. If you could give yourself one piece of advice that would have accelerated your development as a leader, what is it?

Jeff Dirks:

Yeah. I think it's all around it's about the people that you surround yourself with. And arguably, I took too long to either bring new mentorship around me or search for new avenues to quench the thirst for learning and stagnated at times too long. I instinctually knew that that had to happen, because if it would have been a combination of not necessarily being comfortable, but maybe the idea that you could upset the apple cart with relationships that were meaningful to you.

So the EQ side of a person kicking in and saying, "Well, you're going to hurt people by maybe driving these decisions or change." But anyways, at the end of the day, I would have accelerated newer relationships, which would have driven change as well but at the end of the day, it would have helped with change management faster.

Mike Paton:

Yeah. So surround yourself by people that can help you fulfill your vision for the future, even if sometimes that means you have to make less time for people that are important to you.

Jeff Dirks:

Yeah, exactly.

Mike Paton:

Yeah. Great stuff. Really good. If I want to learn more about your company or you, where's the best place for me to go do that?

Jeff Dirks:

Yeah. You could check out our website, www.kblenv.com. We're active on LinkedIn as well. Yeah, and otherwise you can always reach out directly.

Mike Paton:

Yeah, that's great. Thank you, Jeff. I'll put all that contact information in the show notes and make sure the listeners who want to learn more, get a chance to do that. I can't thank you enough for your gracious gift of time and expertise today. It was a really enjoyable conversation. I'm sure the listeners feel the same way I do, which is that you've helped me become a better leader by learning from your experiences. Thanks again.

Jeff Dirks:

Yeah. Thanks Paton. Really appreciate your time as well.

Mike Paton:

If you got value from today's episode, do me a favor, share the episode with a friend. If you know someone who would benefit from the conversation I had today, make sure to share it with them.