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SECRETS OF CENTENNIAL FAMILY BUSINESS

Kuhlman Corporation: Honoring the Legacy

By Donald Levitt

In the late 1890s Adam Kuhlman and Richard Kind formed the Kuhlman-Kind Co. to sell building materials. In 1901 they merged with three other companies. Adam Kuhlman and his sons Charles and Edwin bought the company in 1928 and created Kuhlman Builders Supply and Brick Company. Charles Kuhlman served as president and Edwin Kuhlman ran business operations. Charles died suddenly in 1956 and a long-time non-family employee was elected president. In 1967 Charles Kuhlman's son-in-law Marion (Bart) Bartholomew became president and in 1987 Bartholomew's son-in-law Tim Goligoski took over as president and currently serves in that role. Ken Kuhlman, Edwin Kuhlman's grandson, leads the sales function of today's Kuhlman Corporation – one of Northern Ohio and Southeastern Michigan's largest suppliers of construction products.

Secrets of Success

Secret #1: Be humble

When Bart Bartholomew – the first son-in-law who became president – passed away, Tim Goligoski – the second son-in-law who became president – announced the death to the employees. Ralph Kuhlman – the vice president of operations and the founder's grandson who had never served as president – told the employees “Tim is our leader now. He's the president.” It was Ralph's philosophy that a company can have only one person who is in-charge.

Secret #2: Value the legacy

“That legacy thing is a big deal here,” says Tim Goligoski. “Being 105 years old creates a standard for us. You can't drop below it because if you do, you put the whole family and business reputation at risk. We didn't start this business. The family reputation and business reputation is bigger than the bottom line. It puts a lot of responsibility on us.”

Secret #3: Have a long-term commitment to customers

“We've always taken the long-term view regarding customers,” says Ken Kuhlman. “They'll be around a long time and so will we. A short-term decision will come back to haunt you.”

“Occasionally our supplier lets us down,” adds Goligoski. “We stand behind our product more than our supplier because the relationship with our customer is important to us. I don't ever want to be in the position of feeling that we short-changed the customer.”

Sometimes we're not as profitable as we could be because of that perspective, but the philosophy has served us well."

Secret #4: Have a sense of purpose

"I've come to think of the purpose of the business as not just selling bricks, concrete, sand, and gravel. We have a purpose of providing first quality construction products at fair prices with technical expertise," notes Goligoski. "Part of our purpose is being a good corporate citizen – making sure that good institutions in town continue, and that we provide a healthy working atmosphere. We also have a responsibility for maintaining good livelihoods for our employees, and for planning ahead to make sure that we can continue to be profitable. Our employees have a lot of pride working for this company. They are proud of how we look at the customer, and our role in the community, and being part of the longevity of the business."

Secret #5: Don't rely on dividends

"We don't have non-active family members getting big dividends and relying on them for big condos," says Goligoski. "The dividends are not big enough to build a lifestyle on."

Kuhlman adds "When a family member asked my father 'What is my stock worth?', my father replied 'What did you pay for it?'"

Donald Levitt, Ph.D., president of Levitt Consulting, helps family businesses to succeed as both a business and a family. More information about this month's topic, and other family business issues, can be found at LevittConsulting.com.