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## **SECRETS OF CENTENNIAL FAMILY BUSINESS**

### **Waterville Gas Company: Humble Yet Confident**

**By Donald Levitt**

When R.G. Stitt was in his 20s he heard about the oil and gas boom in Northwest Ohio and decided to leave his home in Ontario to seek his fortune. He started with drilling oil wells and then entered the natural gas business, establishing The Waterville Gas Company in 1888. R.G.'s son Robert H. Stitt carried on the business after his father's death in 1922. Robert's son-in-law William Black led the business in the third generation, and now William's sons Robert Black and Jamie Black run the business. Rob's son Todd entered the business in 2003 and represents the fifth generation.

#### **Secrets of Success**

##### *Secret #1: Have small families*

R.G. Stitt had a son and a daughter, and only his son Robert stayed in town and joined the business. Robert had only one child – a daughter. She had two sons and a daughter, and of her two sons who are currently in the business, only one has children. This “narrow family tree” has reduced the potential for dilution of ownership or conflicts regarding succession.

##### *Secret #2: Treat employees as you would like to be treated*

“We have never laid off an employee,” says Secretary Treasurer Jamie Black. “In 1953 one of our employees came out of the army after the Korean War and asked our grandfather if he still had a job. Our grandfather said ‘If you don’t have a job, I don’t have a job.’”

##### *Secret #3: Be humble*

William Black, the son-in-law who ran the business in the third generation, was Secretary Treasurer but never President of the company. His father-in-law held the title of President until his death and then William's son Rob became President. “Our father was never begrudging,” says Rob Black. “He’s a humble guy. Titles don’t mean that much in a family business. Our family knew that the business would change due to deregulation, and would take sophistication and understanding of the new world – so they wanted to start with a new generation of leadership.”

This attitude of humbleness has continued into the fourth generation with the two brothers working together. Jamie Black notes that “Rob has an M.B.A. so he’s in charge

of the books. My main focus is regulatory compliance and operations. Like our father, the title doesn't matter – it's who can do the job that matters.”

Jamie Black and his wife do not have children, so Jamie is solely committed to his nephews. “My goal is to turn the business over to Todd – and his brother Robbie if he's interested in joining the business – in as good a shape as humanly possible.”

*Secret #4: Be lucky*

Waterville and the surrounding areas have grown steadily since the 1950s. “We've been fortunate with the growth coming our way,” says Jamie Black. Rob Black adds “There are communities near Columbus which haven't changed for 50 years. We could be the best gas company in the world, but if there's no growth we can't grow as a company. Yet a lot of companies have had these opportunities and squandered them.”

*Secret #5: Stay small*

The Waterville Gas Company has ten employees, of which three are family members. “You and I can't be Olympic athletes. We need to recognize our limitations,” notes Rob Black. “It's the same with our business. We can't grow at double-digits every year. But high single-digit growth is not bad – and you can be successful but also multigenerational.

*Secret #6: Focus on the customer*

“We're proud of our customer service. We will never leave a home in an unsafe situation,” notes Jamie Black. “We don't use a phone service,” indicates Rob Black. “The phone is always answered by a person who can solve your problem. That's unique.”

***Donald Levitt, 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](http://LevittConsulting.com).***