

As entrepreneurs go, Ralph Lieb called himself a "late bloomer." Having worked for large organizations well into his fifties, he finally got his chance in 1989, when the American furniture manufacturer, Gusdorf, opened a separate Canadian subsidiary, Gusdorf Canada Inc. They made Ralph, their then Canadian sales manager, a 50% partner and general manager of the \$8 million Canadian operation. With an eye on full ownership, Ralph's opportunity came 4 years later when the US parent, filing bankruptcy, sold Ralph its remaining holdings. Now at 57 years of age, Ralph had achieved his dream - being his own boss.

In my 10 years of consulting to over 50 small to mid-sized organization, it has been rare to find a business owner/entrepreneur who is also a true general manager. Most entrepreneurs tend to be technically or marketing oriented, but Ralph taught himself to be a generalist, having a flair and sophistication in all areas of company management and organization improvement. It came from having had many years of big-company experience where he taught himself contemporary methods of business management. That, combined with his gentlemanly style, and his keen interest in continuous learning and improvement, made him liked and respected by his customers, suppliers and employees alike.

During his four years of general management tenure at Gusdorf Canada Inc., Ralph had consistently achieved a 20% sales growth per year, selling hundreds of "knock-down" home and office wood-furniture products to mass merchandisers, discounters, department stores and OEM's both across Canada and into the US. In this recent year of total company ownership, Ralph was on his way to maintain that growth curve. Considering the recessionary times, and an almost 14% unemployment rate in his local province of Quebec, that was no small feat.

Ralph offers the following perspectives on his business strategy and approach:

Marketing

"One needs to read the economics of the industry; be a good listener to and observer of the market. Gusdorf Canada markets to specific customers instead of to market demographics. Consistency of performance towards meeting specific customer needs over the long-term is paramount. In our industry, a handful of companies have control. They want to carry less inventory, so we offer them better product planning. Also, we have worked to develop a reasonably broad base of customers as a protection from any one customer controlling our output."

Product Development

"Marketing leadership must be tempered with marketing discipline so you don't get busy with the wrong products and services. New product designs must be practical, functional and saleable. My sales people and representatives know not to ask me to make something unless they can prove it is saleable to a customer."

Sales and Service

"In this industry, it takes 3 to 5 years to develop one's reputation and trust with a customer. It's a relationship that must be nurtured in order for us to build a sense of supplier credibility. Giving customers what they need and want, offering competitive pricing, providing on-time delivery and special services, ensuring quality control, keeping them informed, and offering a high level of service from sales to delivery to after delivery support, all contribute to building customer loyalty."

Manufacturing/Operations

"The factory operations need to be marketing driven, not vica versa. All operations are here to serve the customer, and internal staff must be made aware of and educated in that regard. Manufacturing management controls must also be in place such as: 1) well defined costs, attributed properly to products, 2) known raw material, work-in-process and finished goods inventory, 3) systematized job costing, MRP, machine utilizations and schedules, and 4) regular job and overall plant reporting that provides variance analysis. Gusdorf uses a full-absorption costing method; it's all computerized with an on-line inventory, and reports are generated monthly. Without good and timely management information, any business would be operating in the dark."

Management

"Gusdorf Canada is a company of 140 employees operating across 3 shifts, five to seven days a week. Until recently, management and HR functions have been under my control as President. However, since my full take over of the company six months ago, I have been working hard to install a more self-sufficient management team under my guidance and direction. I have let go of senior staff who were not willing to change with the times (those that resisted being more sophisticated, participative and delegative in their approach). I have actively recruited talented managers, within a rational organization structure, who are willing to continuously learn and improve what they do. I want my managers to have clear roles and responsibilities, to act professionally in their jobs, and be able to work autonomously - with minimal direction from me. Having and hiring competent management, who do what I don't or can't do, not only takes some of the burden off my shoulders, but also works to give me new ideas, and teach me new methods and techniques. As a top- team we now run regular management meetings with professionalism. We make decisions and things get done."

Human Resources

"Over the years, it has been important for me to develop long-term relationships with all my employees, just as with our customers. As President, I have worked hard to watch carefully what's happening to people, to feel their pulse, and to respond to their needs. I also work to keep them honest and honourable in their approach to their work and the company."

Capital Financing and Banking

"Building long-term, credible relationships with financiers is also important. When I bought-out the company from its parent organization, 80-90% of my financing came from my bank. Over the previous 4 years, I have played honestly and respectfully with my bank manager, and in return, he has worked hard on my behalf in securing Gusdorf Canada's long-term debt. The other 10-20% of my financing came from friends and associates who trust me as a friend and businessman. I would never betray people's trust, and it's my principle to never get greedy."

Challenges for the Future

"My greatest challenge right now is to create a more self-managed company that can operate short-term without my presence. I want to continue to delegate more direct responsibilities to my managers, where I can step back from the day-to-day firing line and be more of a CEO and 'the businessman' with a longer-term focus. At my age, management and ownership succession are becoming key issues for me."

Postlude

It was a short time later that this interviewer found out what Ralph really meant about "management and ownership succession." Having been diagnosed with a heart condition about two years earlier, Ralph died suddenly four days after my interview. With no imminent successor, Ralph's business and entrepreneurial dream would never become fully realized, yet he leaves behind his legacy as an entrepreneurial role model.

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