Executives adapt with changing times to ensure business longevity

By: Jayne Gest | 1:51am EST November 27, 2017

Built to last

Factors that impact business longevity

The ability to weather change and compete over decades — and longer — is a primary metric for the success of any business. Every organization is unique, and there is no precise equation for sustaining a business long term.

In basic terms, however, longevity owes to offering products or services that continually satisfy customer demand, as well as nuanced growth strategies and a close understanding of the competitive marketplace. This can be easier said than done.

To experience lasting growth and prosperity, a company must be able to adapt to market changes and the disruptive emergence of a competitor's products or services. Business longevity then hinges, in part, on how well an organization adjusts to evolving customer demand and a dynamic marketplace. Understanding these changes can help an organization determine how best to satisfy customers while outmaneuvering competitors.

As such, continuous product or service innovation has a direct impact on a business' long-term outlook. Organizations that focus on addressing market realities and consumer needs can drive customer-focused innovation and the profitability and longevity that it yields. In this way, a business can remain perpetually at the forefront of its industry.

Products or services tailored to customer demand not only drive business growth, they also enhance competitiveness. An organization that delivers products or services at the cost, quality and functionality customers want is better able to thrive in the face of equally determined competitors.

At the same time, business longevity is not only a matter of sales and customer satisfaction. Building a business that endures requires careful alignment of organizational resources, plans, operations and culture to advance corporate strategies that support growth. This includes a "management for change" mindset, in which business decisions are oriented around the concept of continuous improvement and adaptation.

An organization should never rest on its laurels but instead embrace a forward-thinking posture, always looking to the horizon for the next challenge or opportunity.

Ultimately, the factors and decisions that impact business longevity are so numerous that companies might look to those with specialized knowledge and services to help adapt to change,

You Might Also Like
A long-term look at life and business
Redefine what your customer is buying and create market differentiation
How value proposition and the buying cycle work together
Make way for the modern seller
Create an organizational

mitigate risk and make critical strategic decisions. Chase has a strong track record in providing customized, industry-specific financial solutions to help organizations position themselves for ongoing success, and our Pittsburgh banking team can work with your business to help it prosper over the long term. ●

culture of customer intimacy

Dave Schaich
Region Manager, Western Pennsylvania Middle Market
Chase Commercial Banking
(412) 255-6883

Survival instincts

Companies that have been around for more than 50 years have learned a thing or two about reading and adapting to the marketplace.

Success requires more than simply having a good idea. It takes moxie, a belief in innovation and a willingness to evolve and do what's necessary to survive.

Below, regional business leaders share their experiences pivoting their business to meet customer needs. They discuss why they take risks and how to encourage the right skills in their workforce for long-term success.

Celebrating 134 years in business

PPG Industries Inc.

Michael H. McGarry, chairman and CEO

When Michael H. McGarry started with PPG Industries Inc. out of college, the business was evenly divided among coatings, chemicals and glass.

Since 1883, PPG has transformed from a small glass business primarily in the U.S., to a leading paint, coatings and specialty materials company with $14.3 billion in sales in 2016, 47,000 employees and manufacturing in more than 70 countries. The company's growth occurred both organically and through acquisitions.

"The successful integration of more than 50 acquisitions over the last 15 years has accelerated the evolution of PPG," McGarry says. "These acquisitions expanded our global reach and strengthened our portfolio in the growing paint and coatings market."

PPG recognized the opportunity for consolidation in paint and coatings. Some of its key acquisitions include Dutch paints maker SigmaKalon in 2008, the North American architectural coatings unit of Dutch company AkzoNobel in 2013, and a leading Mexican paints company, Consorcio Comex, in 2014.

When it comes to acquiring architectural coating firms, PPG looks for companies that are No. 1 or

2 in their market or that help with regional positioning, McGarry says. For industrial coating companies, PPG seeks acquisitions that help it acquire new technologies or provide greater market penetration, such as automotive.

"For each segment, we have a very specific goal in mind — it is not one size fits all," he says.

McGarry encourages the same working style he has — inquisitive, hands-on and part of the team — in PPG's workforce to help ensure long-term success.

"To foster this, I meet with as many people as I can throughout the world in PPG's businesses. This helps me understand what's successful, how we can replicate success in other businesses and where there are opportunities for continuous improvement," he says. "The key is to have employees not just report any setbacks, but offer ideas for what to do about it, so that they're thinking about what's next."

To achieve business longevity, you cannot get complacent.

"I always say, being the No. 1 coatings company is a journey, it's not a destination. We need to continuously evaluate areas of opportunity to ensure long-term success," McGarry says.

That success has in part been due to PPG understanding the importance of a strong pipeline of new product innovations and good relationships. A strong network of suppliers is another emphasis. This base not only plays an important business role, it also provides valuable partnerships that support PPG's efforts to increase sustainability. •

Celebrating 126 years in business

Irwin Car and Equipment

William Baker, president and CEO

Irwin Car and Equipment — founded in 1891 to manufacture cast iron wheels and mine cars — was family owned until the 1960s. One of the area's first employers, the company was also the largest in Irwin.

A British owner had limited success the next 20 years. Labor disputes, a downturn and industry changes led to a shutdown in 1985. Irwin Car restarted two years later, but the retiring president approached William Baker in the early 1990s. Baker saw potential as a niche manufacturer, even though Irwin Car had about $740,000 in sales.

"We revamped the company, so there was tremendous risk because there were only six people, counting me. We had no computer systems, no engineering systems, and it ended up where two of the six people left," he says.

The heavy-duty material handling equipment leader delivers custom engineering to the metals, mining, tunneling, energy and transportation industries. Irwin wheels are on the University of Phoenix Stadium's turf, Safeco Field dome and Hubble Space Telescope.

Baker says the latest endeavors are automated guided vehicles that use lasers and cameras; more rock dusters; and transit product offering improvements.

Today, approaching $50 million in revenue, the company sells Irwin, Atlas and Phillips brands to more than 30 markets. Growth came from both acquisition and business development.

Where to expand is based on Baker's gut feeling after calculated risk assessment.

"Bottom line, it's my decision. I don't have six guys that I go and consult with," he says.

Baker travels and meets with customers to stay close to the market. He gets feedback from his team and follows the competition.

"It's having the vision of where you think the market is going, what the needs of the customer are," he says.

Beyond knowing what's happening and what's going to happen, whether you're manufacturing or distributing, it still needs to be synergistic, he says. It's also better to be in markets with little competition.

To achieve business longevity, Baker believes in focus and accountability.

"You have to stay focused on what you do well and make sure that your employees are accountable. Secondly, you have to have vision of where you want to take the company and you have to be disciplined to get there," Baker says.

Growth is also essential.

"You can't just stay the same because the market changes, your customers change, your competitors change, products change. You have to constantly look to grow and if you're not looking to grow, you get left behind," he says. ●

Celebrating 106 years in business

A. Stucki Co.

A.STUCKI COMPANY

Bill Kiefer, president and CEO

Since it was founded in 1911, A. Stucki Co. has developed and made railcar dynamic control products. For the first 90 years or so of Stucki's existence, it provided a narrow and specialized product, focusing on the design and manufacturing of roller side bearings.

During World War I, the majority of United States Railway Administration cars were equipped with Stucki designs. In 1925, the company revolutionized its side bearings with an all-rolled steel product that became increasingly popular.

This narrow focus was common in the railroad supply chain until consolidation of the large railroads forced consolidation in the supply community, says Bill Kiefer.

"Stucki could no longer be a small supplier with only three products to offer the industry if it wanted to survive," he says.

In 2002, Stucki purchased Independent Draft Gear Co. This added a new product line and took Stucki into new railroad market segments, while the company leveraged its industry relationships.

"Stucki was at the point where the railroads were changing and therefore the world in which Stucki was operating was changing," Kiefer says. "With the acquisition of IDG, executive management at Stucki changed and the new team evaluated the business and made the decision to move the company forward with a strategic mix of acquisitions and internal product development."

Broadening Stucki's focus wasn't as much of a risk as ignoring the industry's new reality. That would have put Stucki in the position of being the acquired, not the acquirer, he says.

To encourage long-term success, business leaders must acknowledge and embrace the realities of the business and markets they operate in, Kiefer says. They should encourage their workforce to never settle for the status quo.

“We never stop talking about where we are headed and always remember where we came from,” Kiefer says.

Over the past 15 years, Stucki has grown into a trusted and important supplier with many companies under the Stucki umbrella. Its three operating companies, A. Stucki Co., IDG and American Industries, allow it to offer a total car package to the freight and industrial railroad markets.

To achieve business longevity, Kiefer recommends checking your ego at the door when you get to the office.

“Surround yourself with people who are passionate and loyal to each other and never stop pushing forward,” he says. “Growth not only makes your business stronger, but provides challenges and opportunities for those passionate people you have surrounded yourself with.” •

Celebrating 70 years in business

i+iconUSA

Lester C. Snyder III, president and CEO

i+iconUSA’s roots started 70 years ago as the Joseph B. Fay Co., a small construction company owned by one man and serving one customer. The first project was for Duquesne Light, which remains a customer today.

Over the years, it has expanded its customer base to more than 100 clients and has grown its operations from Pennsylvania down through the East Coast to Florida. The portfolio of companies — Fay, i+iconSOUTHEAST and i+iconENERGY — specialize in heavy civil construction, such as demolition, earthwork, marine, piling and foundations, roadways, structures, utilities, theme parks, and mechanical and civil projects for the energy industry.

One pivot point came in 2009 when the company went from being family owned to being owned by a private investment firm.

Several years after, the firm hired construction veteran Lester C. Snyder III, who could reinforce the company’s core values of working safely, valuing people, acting with integrity and providing solutions for its customers. In addition, new functional personnel in human resources, marketing, business development and IT/technology, as well as experienced construction high-level management, were added with a focus on geographical and market expansion.

“Although we initially brought in top-level managers to more quickly grow the company, our emphasis is to develop leaders from within,” Snyder says.

i+iconUSA instituted a leadership development program that many of the project managers, project engineers and superintendents have participated in.

“We believe that the best leaders of tomorrow are those that are chosen for their belief in our core values and internally developed to reach higher levels of responsibility," he says. "Our training begins with college interns, a large number of which join our company after graduation, and continues through a combination of on-the-job training as well as formal classes with peers."

To achieve business longevity, Snyder says, the most important thing to remember is everything changes — the world, the country, the clients and the employees.

"Adapting to market conditions, technology advances and different generations of people are what keeps a company successful," he says. "Long-term planning is necessary, but with the ability to alter the course, if and when the need arises." •

Celebrating 60 years in business

Millcraft

Lucas Piatt, president and COO, Millcraft Investments

Millcraft Industries started as a steel manufacturing shop. Today, it focuses on real estate, hospitality and development.

Since 1957, Millcraft has been in steel, coal, insurance and aviation, while owning golf courses, a travel agency school and more. After the steel business was sold off, it went from 1,300 employees to 13.

When Lucas Piatt, son of founder Jack Piatt, joined, it was a $40 million or $50 million company. Now, it's probably $400 million to $500 million.

"We want to grow strategically and not too fast, but sometimes it's hard for us to say no because we're all entrepreneurial," Piatt says.

Ideas have been the driving mantra behind the company in all its forms, he says. Millcraft has always been a pioneer, such as moving from steel to develop Southpointe.

"Most of our projects start with half the people saying we're crazy. So, typically when we hear that, we think we're on to something," Piatt says.

During Piatt's time, the biggest pivot was a decade and a half ago. Millcraft recognized the trend of urbanization and purchased the downtown Lazarus department store that became Piatt Place.

The pioneering move probably came about five years early and was based on gut feeling. He and his dad felt the city was at its lowest point, but it was still the center of the region. Plus, real estate values were down and you have to go downtown to go anywhere in Pittsburgh.

A few of Millcraft's forays into new markets haven't gone so well.

"When the team doesn't get behind the idea and you pivot, it's going to be a challenge," Piatt says.

It's critical to build a team consensus. Ideas should come from everybody.

"That's why we've been successful — we've had a great team. We've always put people in the right positions that have ownership in the decisions that they make," he says.

As the leader, surround yourself with the best people and treat them with respect, Piatt says. Communication across departments and silos is also important.

“We try to make sure that we break that divide by bringing people together in social atmospheres and brainstorming sessions,” Piatt says.

To build an organization for long-term success, it requires delegation and succession planning, he says.

“Make sure you’re thinking out ahead of who are you as a company. Always ask that question,” Piatt says. “Never rest on your laurels.” ●