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The Wealth of Work

Peerless Saw Company: 80 Years and Going Strong



Ken Lloyd and Tim Gase, Owners of Peerless Saw Company.

The Wealth of Work

Editor's Note: We are pleased to continue our 2011 cover story series on the Wealth of Work, featuring local family-owned businesses that have been a part of the central Ohio landscape for many years. In this issue of Harvest Magazine, we shine our spotlight on Peerless Saw Company and join them in celebrating their 80 years in business! Owned by Joseph Group friends and clients, Tim Gase and Ken Lloyd, Peerless Saw is one of those central Ohio jewels that our readers need to know. Enjoy!

Peerless Saw Company: 80 Years and Going Strong

The year was 1931. Thomas Edison was still filing patent applications. The Empire State Building was newly built. Matt and Mark Palmer's parents (Joe and Pat) were born. And the country was just beginning to climb out from under the Great Depression.

It also was the year that two central Ohio families, the Hodapps and the Callahans, launched a new saw blade manufacturing company, Peerless Saw Company, in a German Village factory. Their first order was to supply wood cutting band saw blades to the Ford Motor Company in Detroit.

In the 1950's, tungsten carbide made its way into the tooling industry and Peerless Saw customers began asking for carbide tooth saw blades. While steel tooth saw blades remained a strong part of the company's product line, the growth of the carbide tipped circular saw industry brought greater sales opportunities to Peerless.

In 1974, Bernie Hodapp sold the business to Ted Montague, a former Borden Corporation executive. Within three years Ted updated the factory and moved it to its present site in Groveport, Ohio, giving the business greater room to grow. However, Ted's greatest investment was his purchase of the first laser cutter, in 1981. As one of the first saw manufacturers to invest in this modern technology, Peerless quickly embraced this method of cutting over the long-used technique of punching out blades from round steel discs. Within six months Ted ordered his second product quality, delivery time and productivity increased drastically.

The company grew rapidly over the next decade and in 1985 Ted sold the company to the Hackman Corp., a Finish conglomerate. Additional capital investments in technology allowed the company to further improve product quality and enjoy a reputation as one of the best saw blade manufacturers in the United States.

When Hackman decided to exit the business in the late 1990's, the original suitor was Symons Industries. After several failed attempts to reach a deal, Hackman was approached by two of Peerless' current employees,

president Tim Gase and vice president of Sales Ken Lloyd, who suggested they wanted to submit a purchase proposal. With time being of the essence, Tim and Ken secured the assistance of local attorney, Chuck Kegler, and shopped local banks for financing. Hackman's CEO had promised his board of directors that he would have the company sold by the end of August. With \$80,000 cash, a small loan by Hackman and a large loan by Banc One, the deal was done by September 1, 1999. Tim and Ken now owned the business they had been running!

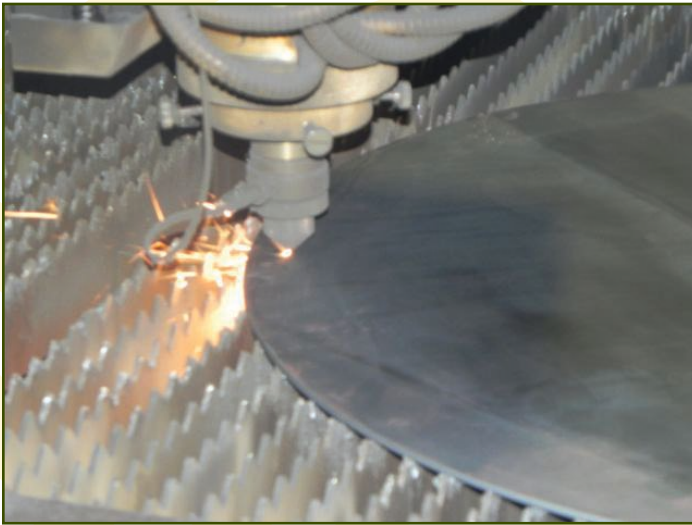
The company could not have been more fortunate. Ken



Peerless saw blades are used to cut wood, metal, plastic... almost every material one can imagine!

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The laser cutter in action.

had joined Peerless in 1976, having graduated from Ohio University's School of Journalism in 1974. But after only two years in his hometown area of Canton and Youngstown with two television stations, Ken was ready for an industry change. He moved to Columbus, living temporarily in a friend's apartment in German Village. Hearing that Peerless was hiring, Ken walked down the street and met with Ted, who offered him a job, but only after checking every reference!

Ken began on the punch press but Ted had plans for Ken and saw to it that he moved around, getting to know the business inside and out. Brief stints as a hand filer, hammer room operator, surface grinder and layout specialist were invaluable when a sales position opened up in the North Carolina region in 1978 — Ken took it. Moving to North Carolina, Ken helped the company expand significantly into the attractive sawmill industry located in that part of the country. By 1982, Ted was ready to bring Ken home as Assistant Sales Manager. Over the next decade, Ken assumed Sales Manager duties and oversaw all marketing and sales efforts for the company, a role he continues today as co-owner and VP of Sales and Marketing.

Partner Tim Gase took a completely different route. Born and raised in Fostoria, Ohio, Tim graduated from Ohio University in 1983 and joined Cooper Industries. Eventually he was promoted to Business Unit Manager for the universal joints product line which was sold for use in aircraft, tanks and caterpillars.

Delivering strong P&L results for Cooper, Tim turned down several job offers from other companies, but when Hackman approached him about running their saw manufacturing company in Groveport, Ohio,

Tim listened. After meeting senior management at a wood working show in German Village, Tim accepted Hackman's offer to become president of Peerless Saw and began working there in July 1995. Shortly after arriving, his first action was to throw the "reserved for president" parking sign into the dumpster. He was determined to create a new culture at Peerless and fast.

Four years later, he and Ken were the new owners and the changes became even more dramatic. Continued investments in technology, combined with profit sharing and open communication throughout the company, sales were solid and profit results pushed the company's reputation in the industry even higher. Long-time employees realized this was becoming a very special place to work — and a place from which they could retire. And while the economic decline in 2001 temporarily slowed revenue growth, profits were maintained and even enhanced with a focus on cost cutting. After completing that cost cutting process, Tim wrote a book on the subject, a highly effective primer on business cost cutting tips entitled *The Small Business Savings Plan*.

Further evidence that Peerless Saw Company was on the rise includes feature stories in *Smart Business Magazine* and *Fortune Small Business Magazine*, as well as Tim's 2008 selection by Ernst & Young as an Entrepreneur of the Year in the manufacturing category. In 2011, the company will exceed their sales projections during a year in which the housing market is still flat. They expect sales to jump considerably once the housing



Peerless provides many small and medium size orders to saw companies, furniture companies and sawmills across North America.

market recovers.

When asked what they thought were the most important keys to the company's success since they assumed ownership, Tim and Ken were quick to cite three:

1. **Team Loyalty:** They shared proudly that 9 of their 50 associates have been with the company for over 30 years: Jim Lorenz (53 yrs., now retired); Jim Streets (47 yrs.); Don Brown (43 yrs.); Michael Sherman (39 yrs.); Karel Phillips (37 yrs.); Ken Lloyd (35 yrs.); Steve Seal (35 yrs.); Willie Clifton (34 yrs.); and Terry Rehmer (34 yrs.). Seniority and minimal turnover create an experienced team that can be depended on to meet and even exceed customer expectations.
2. **Talented Sales Team:** Vital to any company is a great sales team. Tim and Ken shared that their inside and outside sales representatives are talented individuals who know their customer base well. Building solid

relationships and providing great service have been key to repeat sales and new business.

3. **Product Innovation:** Beginning with Ted Montague and continuing today, Peerless has been an industry leader in product and manufacturing innovation. From precision laser cutting to a unique heat treating process and innovative grinding machines, the company has stayed at the forefront of technology giving it a competitive advantage over other manufacturers. And the company's Gold Medal customer service allows one day shipment when a customer has an emergency need.

Let's see: team loyalty, a great sales force and product innovation – now that sounds like a winning combination for any business!

Congrats to Tim and Ken and their entire team for 80 years of business! Here's to 80 more successful years!

The Peerless Saw Company Philosophy

Over 75 years ago, our company was formed on some very simple beliefs that we still follow today.

Treat your customers and your employees as you would wish to be treated yourself.

We're all customers at one time or another and we've all experienced poor quality or poor service. Usually, we quietly find another supplier that will do a better job. Thankfully, through the years, the founders of Peerless and its many employees have succeeded in satisfying our customers with high quality and reliable service. In turn, the company has provided a safe and hospitable place of employment that offers opportunities for growth and personal satisfaction. Judging by the average of 12 years term of service among current employees, many continue to enjoy their careers at Peerless.

Work hard to continuously improve the quality and service we offer to our customers.

We constantly search for new opportunities that will help serve our customers. Whether it is purchasing innovative laser technology, adding a new product line of carbide tips, developing new production cells that improve delivery, or finding better ways to

communicate with each other and our customers. We don't stop trying to find that better way of doing things and making it a part of our consistent offering to our customers. We are excited by the possibilities and strive to keep on improving.

Maintain an ethical and moral approach to all facets of our business.

We love the challenge of competition and take great pride in our success. But, we know what's right and what's wrong. We don't talk about our competition. We prefer to let our product quality and service speak for us. We pay our bills on time and aren't shy about asking our customers to pay within terms, as well. If our customers have a complaint about our performance, we do everything we can to respond fairly to those complaints. We do our best to take the high road when faced with ethical choices.

Since 1931, the people of Peerless Saw Company have done a great job developing a reputation as a solid company of caring employees making and selling reliable products and service. We've inherited this reputation and consider it a privilege to keep it intact. We will continue to treat our customers, employees and suppliers with respect.