

It's a Family Thing

A look at the water industry's multigenerational family businesses

BY KATE CLINE & ADILLA MENAYANG

A family atmosphere is a hallmark of the water quality industry. Many companies are family owned and operated, with water treatment knowledge and business values being passed from generation to generation. Here, *WQP* highlights three dealerships that have been in the water industry for three or more generations—Sterling Water Culligan of Eau Claire, Wis.; Huemann Water Conditioning of Johnsbury, Ill.; and Rupert's Culligan Water Conditioning of Hillsdale, Mich.—as representatives of the family values and quality service that make this industry unique. >>

FOUNDATION ON FAMILY

When Tom Huemann launched Huemann Water Conditioning in 1965, he knew one thing was certain: The business needed a good foundation with a basis in customer service if it had any chance of success.

He had good reason to know this was a sound business philosophy—it was the same one his father used to build the success of the family’s well drilling business. “I grew up in a house [where] when the phone rang and there was a service call ... my dad was on it,” Tom said. “If you don’t have a good foundation, you’re not going to grow. But if your foundation is solid, you have no end to where you can end up.”

When Tom left the well drilling business to start the Huemann Water Conditioning, he built a foundation that combined rentals with service. As the business grew, Tom passed his philosophy on to his children, all of whom grew up around the business.

Family Farm

Joe Huemann, Tom’s son and the current owner of Huemann Water Conditioning, likens the dealership to a family farm. “Instead of soybeans and corn, we have water as our crop,” he explained. “So I just went to work at the family farm.”

Joe says he began riding along with his dad when he was five or six years old, and within a few years was riding with other employees, helping out with salt deliveries. He did salt deliveries through high school, in addition to helping out with whatever tasks needed to be done around the dealership.

Joe’s sister, Kim Husby, who now handles accounting for the company, also got started in the water business at a young age. “Because we were a new business, probably around fifth grade, I had a choice to clean or to do accounting work,” she said. “I was not much into cleaning.”

Even at home, the Huemann kids were immersed in the business. Tom’s wife did the books at the kitchen table, and the “Batphone”—the dedicated phone line installed at the family home for business calls—might ring at any time. “It would ring 24 hours a day, seven

days a week, and [we] just knew, that’s the work phone ... You answer that and take the message,” Joe said. “My dad talked about service—[the phone was there] to be available and try to maintain that philosophy for our culture.”

Growing up was no different for the next generation of Huemanns—Michael Huemann, Joe’s son, who now works for the company, learned quickly that owning a water dealership is not the typical day job. “We don’t work from 8 to 4:30—it’s a 24-hour-day adventure,” he said. “It was a nightly thing at dinner, where Dad would answer the phone for a service call. You’re always working in a family business. I never knew anything different, to be honest.”

Kim, who worked at several other accounting jobs before return-

ing to the family business, noted that the “all hands on deck” atmosphere helped her succeed in those jobs. If something needed to be done at work, she did it—whether it was in her job description or not. “If the garbage needed to be taken out, I took the garbage out. If I needed to stay longer, I stayed longer,” she said.

Service for Success

Growing up in the family business helped both the second and third generations learn the importance of maintaining the strong foundation Tom established when he started the business. They maintain that legacy of strong customer service values today.

Michael learned the importance of having a relationship with customers

from his father and grandfather. “I feel that [by] having an honest feel for the customer and an honest relationship, then they’re not just a blip on the map,” he said. “You know where they live, you know that they have three or four kids, you might know that they’re going through a divorce—[it’s] not just being all about the money.”

A focus on customers rather than on making a quick buck is a value that is instilled in all three generations of Huemann Water Conditioning. “We sell a great product that we truly believe in, and we know we can fix. [We’re] not just going out there and selling equipment just because



The Huemann team on Red Shirt Friday, in support of the troops

we need to make money,” Michael said. “We [have] a fix-first mentality, and that’s the way I’ve been raised. I stress to the guys to keep that going. My dad’s always mentioned, ‘Do you want to make a killing, or do you want to make a living?’ We’re here to make a living, not necessarily a killing.”

This business philosophy has helped Huemann Water Conditioning earn the trust of its customers. Joe related an anecdote about a conversation with a customer: “The guy calls and says, ‘Joe, you remind me of a sheep farmer. I know when you see me, you’re going to shear me, but you’re not going to slaughter me.’”

For Joe, earning that trust has been one of the most rewarding aspects of the business. He noted, in fact, that many customers even come to him now when they need a recommendation for non-water-related services because they trust his opinion.

Customer Changes

Having been in business for more than half a century, Huemann Water Conditioning is no stranger to change. One important change has been customers’ increasing awareness of water quality and desire for water treatment and conditioning systems in their homes.

“When we first started, people in the area didn’t even know what water softeners were,” Tom said. “If they had rust in their water, or their water was hard, they said, ‘well, it’s wet,’ but they didn’t care too much.”

Today, customers want softening and more—many want technologies such as reverse osmosis systems to ensure that their drinking water is of the highest quality. “Twenty-five years ago, probably two out of 100 people did RO,” Joe explained. “Nowadays, 80% of our [customers] are doing something for drinking water. People have come to expect to do something for drinking water in their house.”

Another major change has been the way in which Huemann Water Conditioning staff communicates with customers. Smartphones especially have influenced service calls. Joe estimates that about 60% of the time, a customer sends him a photo of the problem he or she is experiencing before he goes out on a service call—a major plus, he says, because he’s “not going out to the house blindsided.”

While modern technology has its positives, the fast-paced, on-demand attitudes they can lead to also have created challenges for the company. “I call it the ‘fast food mentality,’ where we want it now, fast and quick,” Joe said. “There [are] only so many hours in a day, and how to accommodate everyone’s fast lifestyle has been a challenge in [this] business.”

One way this challenge is manifesting itself is with customers who



The Huemann dealership in 1976

buy water conditioning or treatment systems from the Internet or big-box stores. Joe estimates that approximately 50% of the service calls the company gets these days are for equipment it did not sell or install, but that is not working the way the customers want, either because it is the wrong type of system or it was installed incorrectly. “That is very frustrating for me as an owner, because I’m the doctor and I want to cure all my patients,” Joe said.

Planning for the Future

A key component to any family business is planning for the

future—and that means succession planning.

For Tom, who believes that “the success of a business is succession,” planning for the second generation of Huemann Water Conditioning was easy: “Joe knew all the time he liked what he was doing,” he said.

As Kim and Joe reached their 50s, they realized they needed to begin talking about succession planning for the next generation. Although all of their children grew up around the business, and many have worked there at one time or another, the water treatment industry was not forced upon them. “With all of our children, they have to get their education, and we’ve believed in education,” Kim said. “We wanted them to go into what they wanted to go into, but they always know that there is room, or we would like to make room, within this business for them.”

Michael, in fact, did follow a different path at first. In college he studied aviation, and worked in that field for four years before re-entering the water industry. Succession planning is “something that needs to be talked about, and that’s something that we’re kind of going through again right now with my generation,” he said. He already notes that one challenge he may face as the business transitions to the third generation is lack of manpower. “One of my challenges I see in the future is younger people going into this type of trade,” he said, noting that not many of his friends are in trade careers. “It’s not a huge issue right now, but the average age of our industry is much higher than some of the other industries out there.”

Although challenges like this persist, Huemann Water Conditioning is sure to take them in stride. Tackling problems head on is just one of the many values that has been passed through the generations. According to Joe, a motto is even written on the service area wall: “The difficult we do immediately, the impossible takes a little longer.”

As the part of the incoming generation, Michael could not agree more. “We’re all problem solvers,” he said. “That’s the way we grew up. If there’s a problem there, we can solve it—it’s just a matter of getting it done.” >>

GRANDMA'S ON FACEBOOK

The village of Ellsworth, Wis., which dubs itself “the Cheese Curd Capital of Wisconsin,” is where W. Sterling and Mae Josephine “Jo” Tangley started their water softening company in 1949. They established a Culligan franchise and built a plant in the village.

Fast-forward 65 years, and Jo is still very much a part of the company. She is retired, of course, at 93 years old, “but she still participates in many of our fun functions, like parties or celebrations,” said Bret Tangley, the current owner of Sterling Water, the company his grandparents started. “People really enjoy having Grandma Jo be a part of our company.”

W. Sterling and Jo’s company grew through external acquisitions as they purchased many Culligan dealerships near the Minnesota-Wisconsin border, until they were all incorporated into one company, Sterling Water Inc. Today, the company is based in Eau Claire, Wis., where Grandma Jo currently lives.

Bret describes his grandmother as a “neat legacy,” providing him and his employees with glimpses of the past as a way to reflect on what the company is today, and where it may go in the future. Although he has worked for the company for 32 years, Bret became its official owner when

he bought it from his parents, Peter and Karol, in 2008.

“I grew up in the business, and every memory as a kid, I can remember riding in the trucks and being in the office,” Bret said. “I can’t remember not being around the business.”

But Bret did not always know he wanted to stay in the water industry and continue his family’s company. He would work there as a child in the summertime and during school breaks, and he worked there throughout college. By the time he finished college, he was flirting with the idea of going to law school, but eventually changed his mind.

“The opportunity was so good and my parents had opportunities in the business for me, [so] it felt right,” Bret said. “So I made the decision to join the family business, and I’m really glad I did.”

A Two-Way Street

As the third generation to own and run the company, most of the appropriate skills were passed down to Bret.

“The most important skills I learned by modeling after my dad and other employees,” he said. It was not just about the technical stuff; the skills passed down to him also included how to be a great leader: how to treat people, be a good listener and care about people’s concerns.

Some things, however, had to be “passed up” from Bret to his forefathers. The Internet is a prime example. “Today, my grandmother and my parents think it’s so interesting to see how [the Internet] has developed ways we communicate and connect with customers,” Bret explained. “They only had the phone and mail. We [now] have e-mail and blogs, Twitter [and] Facebook. They’re amazed to see how we have to actively keep communicating and find new [ways] to communicate with these platforms.”

Bret recalls that back in 2001, he had to find creative ways to explain what the Internet was to his grandfather. “He would ask me, ‘What is this? Where is the Internet?’” Bret said. To answer his grandfather, Bret likened the Internet to all the libraries in the world, describing them as being—as a true water industry professional would say—connected via pipe.

“I can’t think of anything that [has been] a bigger change to the water industry than the Internet,” Bret said. “I think about the amount of information [that] consumers can use as vehicles to find water treatment providers and solutions.”

In addition to it being a new way to reach out to customers, Bret also sees the Internet and electronic communication tools as a good way to keep everyone in the company in the loop, even those who are not technically in the company anymore.

“My parents enjoy following our Facebook page,” Bret said. After working at Sterling Water for 35 years, seeing the occasional picture and status update is a way for Peter and Karol to stay connected to Wisconsin all the way from their new home Arizona. “The Facebook page keeps them connected to something that’s a big part of their lives. It’s a great feeling for them to see when things are growing.” >>



General managers left to right: Bret Tangley, president; Darrell Sather, vice president and general manager; Aaron Neibert, general manager; and David Gilbertson, vice president

and general manager. Inset: A truck in front of W. Sterling and Jo’s home, which served as their business location in Ellsworth, Wis.

MEETING THE CHALLENGE

Just imagine it is Thanksgiving Day. The turkey is perfectly roasted, the side dishes are steaming hot and the smell of freshly baked apple pie tantalizes the taste buds. The family is seated around the table, ready to tuck in to the feast and chattering about arsenic treatment.

That last bit may not sound like the typical Thanksgiving dinner conversation. But for Dennis Rupert, owner of Hillsdale Culligan in Michigan, working in a family business means that work life and home life can be hard to separate, even at the holidays. “I certainly did not have a vision that there would be three generations discussing arsenic treatment at the Thanksgiving table,” Rupert said. “We did this year, and it was really OK.”

Rupert’s family became involved with the dealership in the 1980s, but the company’s history goes all the way back to 1948, when World War II veterans Dean Chappell and Max Raymond responded to an advertisement about opportunities in water softening in Life magazine. The pair built the business from scratch, converting the first floor of a house into a portable exchange regeneration plant and office, while they and their families lived on the second floor. In the 1960s, Dean and Mary Jane Chappell bought out Raymond, and continued to grow the business until their retirement in 1980.

Enter the Shaw family. Rupert’s father-in-law Tom Shaw was a salesperson for Culligan in Battle Creek, Mich., but was interested in becoming a business owner. “He had a real passion for Culligan and water softener sales and was ready to take the next step to become an owner,” Rupert said.

Rupert joined the business in 1985 as manager. “I certainly did not plan on working in a family business,” he said.

Shortly after Rupert’s hiring, Shaw passed away. After a year of managing the dealership, Rupert and his wife Renee opted to purchase the company from his mother-in-law. In the years since, he has acquired another dealership, and the third generation of the family—Rupert’s son Justin—has joined the business.

Changing Customers

Like all successful dealers, Rupert knows that customer satisfaction is the most important factor in building a strong business. To ensure the best service, he focuses on “being easy to do business with.”

To keep that focus strong, Rupert and his staff have had to learn new skills and techniques when it comes to communicating with today’s more knowledgeable consumers. “Today’s sophisticated, informed customer has to be the prime focus of each associate when we provide services in a most sacred place, our customer’s home,” he said.

The Internet and smart technologies are a major part of working with the modern customer. These technologies have not only helped customers become better informed about water treatment and conditioning, they also have changed the ways in which the dealership communicates with them.

New water treatment technologies and the ever-increasing list of contaminants that dealers must address are other factors that have forced Rupert and staff to adapt and learn new skills. “As our next generation enters the business, [it] challenges the old guard to understand and use this technology to not only treat the water, but also to understand the customer experience with today’s change in customer communication,” Rupert said.

In addition to helping customers become more informed and changing the way they communicate, the Internet has led to something Rupert views as a negative: online sales of water treatment and conditioning systems. This factor, combined with increasing sales of water systems by big-box stores, means Rupert and his dealerships must be on the top of their game. “With the Internet and proliferation of the big-box retailers, our operations have to be superior,” he said.

Passing Down the Values

Rupert strives not only to maintain the legacy started by Chappell and Raymond—“the business ethics, work ethic and real desire to be the best we can be for our customers”—but also to instill those values in the incoming generation. “Making sure our new generation

and our Culligan ‘family’ culture are top of mind every day continues to be our daily challenge,” he said.

Challenging though it may be, it has been rewarding for Rupert to integrate the third generation of his family into the company. “Observing my next generation make his first sale, attend his first WQA [Aquatech USA trade show], participate in sales management forums, critique company procedures, and look for innovative ways to use new technology and new sales practices sure make one comfortable that our family’s company, our relationship with our franchisor and our place in the industry is in good hands,” he said.

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Dennis Rupert, owner of Hillsdale Culligan