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A SOLID FOUNDATION

Tim and Scott Buechel have grown Buechel Stone Corp. by using good management – and taking risks.

A Solid Foundation

BY ROBERT WARDE

Tim and Scott Buechel took a business started by their father in 1964 with a half-dozen tools and built it into Buechel Stone Corp., a business that does more than \$25 million today and doubles in size every five years.

The brothers grew up in the stone and masonry trade, working alongside their father. By 1977, the business had a half-dozen employees, sales of \$125,000 a year and only sold in Wisconsin. It was that year that the senior Buechel decided to sell to his sons because of ailing health. The brothers never looked back.

Today, the company owns five quarries and mines about 700 acres. Buechel Stone sells more than 100 varieties of natural stone, shipping it to dealers across the country and beyond. It produced about 150,000 tons of natural building and landscape stone last year.

"Our focus is on the stone industry and we do well at that," says Tim Buechel.

The brothers hit the ground running once they took over the family business. "The first thing we did was start running two shifts of the stone cutting operation," he says.

The brothers had to prove themselves a bit and wanted to show the bank that they could generate the cash flow to pay for new

Profile

Company: Buechel Stone.

Locations: Chilton, Fond du Lac.

Employees: About 300.

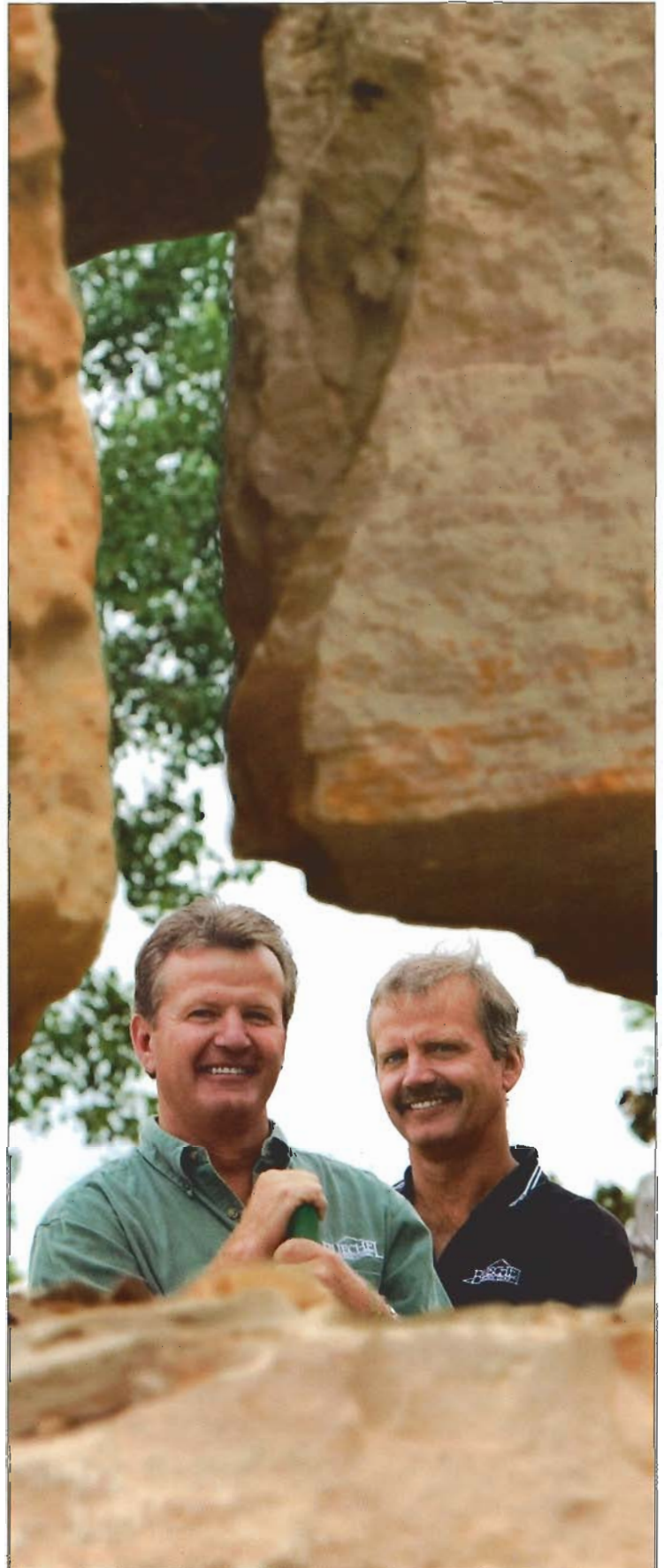
Products: Decorative stone used in residential and commercial applications, including exterior facades, fireplaces, patios and landscaping.

Growth rate: 20 percent a year.

Customers: Homeowners, contractors and wholesale to a multi-state dealer network.

Facilities: Five quarries and a state-of-the-art stone cutting operation that cuts stone pieces as large as 24 tons.

— Source: Buechel Stone



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equipment. A second shift also meant that they could get the greatest production out of that equipment.

In 1979, the Buechel's bought Panetti Stone Co. of Fond du Lac. That brought the quarry operation into the fold. "When you buy the quarry, you have control of what goes on," Tim says.

Scott Buechel says that one of their early moves was to join the Building Stone Institute trade group. "You get to interact with other companies and people started hearing our name," he says.

In the early 1980s, work was very slow. Business consisted of mostly small orders coming from a 300-mile radius of the Buechel operation. The brothers knew that they had to sell in a wider area to grow the business to the level they sought.

A Simple Plan

Early on, the growth plan was simple: cold call on as many dealer prospects as possible. Scott recalls taking a day or two and talking to as many dealers as he could. From there, they simply made sure the product was there when it was needed and the order was accurate.

"We have good reps in a lot of states. We also sell direct in areas where we don't have dealer reps. About 70 percent of our business is wholesale out of state," he says.

One key was making last-minute changes. "You tried to the best of your ability to accommodate that," Scott says.

When mistakes were made, Scott says the company made corrections and tried to improve.

Tim and Scott had to make many decisions as the business grew. As the number of customer inquiries continued to increase, they decided to develop specialists. As calls come in to the switchboard, they are routed to those specialists to get customer inquiries and orders



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dealt with as soon as possible.

"Our customer support is very good. We have good salespeople. They do an excellent job," Tim says.

Part of what makes them good is the fact that they are empowered to meet the needs of customers. "They know what they can do to treat customers well," he says.

The Buechel's also implemented a quality program to ensure the stone a customer receives is the highest possible quality. "Our quality control is second to none," Tim says.

Buechel quality control employees apply stickers to pallets and to stone with quality control numbers so that if stone is delivered in the wrong size or is of poor appearance, they can find out why.

The number of products Buechel offers has grown over the years, from about 20 lines in 1979 to about 100 different types of stone today.

"If you look at what level of products we had back in 1979, there's no comparison," Tim says.

Thin Veneer Pioneer

One of the most popular products offered by Buechel is Natural Thin Veneer. A lightweight natural stone, cut in thicknesses from three-quarters of an inch to an inch and

one-quarter, the thin veneer is an alternative to full stone veneer. The fact that it's lighter in weight than full stone and of a higher quality than manufactured stone means that it can be used in more applications, is easier for masons to install and is just as durable as full stone veneer.

Buechel began selling the product more than 25 years ago. That experience in handling and cutting the stone means that it can offer it at prices competitive with man-made stone. It is also less expensive to install.

Buechel Stone also provides testing data for the stone that it quarries, letting dealers, contractors and customers know that the stone is durable enough to be used in colder or otherwise more volatile climates.

The strength of the stone allows it to be tumbled—a process that gives the stone a distressed look and aged appearance. Architects are especially fond of this product.

Tim and Scott Buechel believe that the natural thin veneer stone offers the company's greatest potential for growth. The company is landing more light commercial jobs, having provided stone for retail chains such as Bass Pro Shops and PF Changs restaurants. Though Buechel's primary market is a

600 mile radius from Northeast Wisconsin, the company has shipped to the Cayman Islands, Alaska, Japan and Finland. The natural thin veneer product the company offers is also less expensive to ship, making it a viable alternative to customers that are farther away.

In addition to stone, Buechel sells wood burning and gas fireplaces and stoves from Heatilator, Heat-N-Glo, Kozy Heat and Quadra Fire. Buechel is one of the largest distributors of fireplaces in Wisconsin.

Added An Advisory Board

One step the brothers took to ensure their success was to add an advisory board. The members are Bill Engler Jr., the 1994 Small Business Administration Entrepreneur of the Year; Bob Salzwedel, a former executive at Johnsonville Sausage Co.; and Dick Kleinfeldt, the former CFO of Giddings and Lewis foundry.

"They draw on their experiences to help (us) make better business decisions," Tim says.

The Buechels are impressed with the skills and knowledge the advisory board members bring to the company. They've learned more about manufacturing and management from them as a result.

Buechel Stone also is a member of several trade and building groups, including the Allied Stone Industries and the Building Stone Institute—both of which one of the brothers have served as officers. The company also supports the builders' Parades of Homes and the builders' home shows.

Tim and Scott say they pay a lot of attention to the work culture, which includes competitive wages for employees, opportunities for training, a good benefit package and a chance to provide input on the job. But Tim says the most effective thing he and Scott do is to ensure that the employees know that, "We

wouldn't ask them to do anything we wouldn't," Tim says.

As is the case with other trade-related industries, the Buechel's say that finding new employees can sometimes be difficult because stone cutting is hard physical work, but there are reasons to begin a career in the business.

"Part of what we're trying to get people to understand is that this is a craft," Scott says.

"It's not an easy job. It's not easy work. Either you love the job or you hate it," Tim says.

All of the steps the Buechel brothers have taken, including adding professional managers in several disciplines, adding the advisory board and adding new products, have led them to being more thoughtful and strategic in their thinking. Today, the company is growing at about 20 percent each year – and doubling every five – as a result of creating and following strategic plans.

"What we've tried to do is be more proactive in how we evaluate things. We look at all the possibilities. There's less shooting from the hip. We have a better handle on pricing and purchase of machinery," Tim says.

"We're not afraid to let people do better things. We allow employees to develop ideas and be creative with what they do," he adds.

The company has incorporated lean manufacturing techniques and had employees attend supervisory schools as they became ready to move up the ladder.

"(These things) give them a sense of ownership. They want to do what's right for the organization," says Scott Buechel.

'Heavy' Equipment Added

Part of that philosophy has led them to invest heavily in equipment. They've added a multi-million dollar stone-cutting facility with the latest technology, includ-



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ing modern stone saws.

The largest has a 12-foot diameter blade. The saw is computer numerically controlled and has increased both productivity and efficiency and increased quality.

They've also added a Thin-Stone Machine for cutting the veneer they sell. Over the past five years, the company has spent more than \$2 million on new equipment.

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ing new equipment that will make us more efficient while maintaining our high quality standards. So much of our business is now cut-to-fit and lead times have become more critical... customer demands have

increased, and we have made major investments in our shop equipment to meet the demands," Scott told Building Stone magazine, a construction trade publication.

Emphasis on Service

But the brothers say that the most important thing they provide is good service. "It doesn't matter if someone wants to buy 50 bricks or 50 square feet of stone on a fireplace, they show as much pride as though they're

building a \$1 million home," Tim says.

One thing Buechel Stone does that may surprise competitors is that when customers come in with job specifications that are unfeasible to execute or will be

unsafe, they turn down the sale rather than move forward.

"We take an 'upscale' approach to the sale. Stone should not be an impulse buy, but an informed purchase," says Scott.

Buechel's expansive showroom allows customers to compare products, colors and styles and trained salespeople are on hand to assist.

"They can look at brick, they can look at stone, the salespeople are knowledgeable about what we sell. They (customers) get a lot more service here," Tim says.

A Passion for Stone

"Customers are excited about building or remodeling. It's great to work with people who have a certain pride of ownership," he says.

Both brothers exhibit a passion about stone. Having grown up in the industry and worked with their father, they believe they have it in their blood. "It's really a fun business to be in," Scott says.

The brothers have had to reassess certain aspects of their operation from time to time, though. For example, at one time they operated retail operations out of both the Chilton and Fond du Lac facilities. Though most of the time it worked, there was enough confusion and mixing of orders that they knew retail and dealer sales had to be separated to best service the customers.

They designated the Fond du Lac operation as their retail center and the Chilton facility as their dealer or wholesale operation.

All the company's quality control efforts are on top of a simple philosophy that the brothers operate under.

"We try very hard to ensure the proper stone is shipped on time, but if something is wrong, we're not afraid to admit it. We want people to be happy with the product and service," Scott says. **M**