

Life

in a

**Putty-
knife
Factory**

Life **in a** **Putty- knife Factory**

**THE STORY
OF HAWKINS CHEMICAL INC.**

BY Howard J. ("Curly") Hawkins

FOUNDER AND CHAIRMAN EMERITUS



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*To my Wife
and to my Mom and Dad*

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Introduction

A Story Without End

IN 1993, AS WE CELEBRATED our fifty-fifth year in business, my good friend, long-time neighbor, and fellow board member Jack McKeon told me we ought to think about sharing the story of the Hawkins Chemical company with the rest of the world.

I said, “Why would we want to do that?”

Jack replied, “Because we’ve got a heckuva story to tell.”

I said, “We do?”

Jack said, “Sure. Think about it for a minute. A couple of young brothers start a business during the Depression. They’re new to their industry and quickly go into debt. One of the brothers leaves. The other one, when drafted into the Army, entrusts the business to another man, who promptly goes off to start his own business. For several months, the founder runs his company by correspondence, with the help of a couple of loyal employees. Home again after the War, he hires a handful of hard-charging eager-beavers and begins building a first-rate organization based on quality products and customer service.”

I said, “Is that all?”

“No,” Jack said. “That’s just for starters. In a few years the business begins forming some strategic alliances, making some important acquisitions, and expanding both its product line and geographic boundaries. Thirty years after its founding, the business takes its stock to the public,

becomes financially self-sufficient, and adds still more products and territory. It continues to grow. The founder's sons come aboard, along with a bunch of other talented people. Pretty soon the company is one of the leading regional players in its industry, with operations in half-a-dozen states, more than a hundred employees, and annual sales shooting past the \$50-million mark. The founder, meanwhile, gets involved in politics, makes a lot of interesting friends, stalks big game in Alaska, and goes to prison—though only to visit. Sound interesting?”

“Well, it's beginning to,” I admitted. “Sounds kind of familiar, too. But how does it end?”

Jack grinned. “That's the best part,” he explained. “It *doesn't*. It's a story with a beginning and a middle—but no ending. The company keeps growing, keeps adding products, keeps serving more customers in more ways. It is pointed toward a very exciting future.”

I scratched my head and said, “Does that mean we'll have to write another book?”

“We'll worry about that later,” Jack said. “The important thing is to get the first part down on paper. Before we forget some of the details.”

My friend Jack is a persuasive fellow. The story he described was one I decided I would in fact like to share—for several reasons.

First, I'm proud of what we've accomplished here at Hawkins Chemical in our first fifty-plus years. It's been a struggle, with a great deal of ups and downs, but what we've created has been worth the hard times and the sacrifices. It's important to me that our families and young Hawkins Chemical employees present and future know where we've been so they can have a better appreciation of where the company is going.

Second, I want the opportunity to publicly acknowledge

the fact that Hawkins Chemical has never been a one-man operation. Our success is the fruit of the labors of many, many outstanding men and women over the past five decades—more, in fact, than those who are mentioned on the following pages, and more than I can ever hope to acknowledge by name, no matter how hard I try. We have been, from the beginning, a family business. I owe so much to my mother and father, my brothers and sister, my wife, and my sons and daughters, all of whom have, in one way or another, made this story possible. And when I say family I mean to include, too, everyone who has ever worked here, and all of our wonderful customers, suppliers, stockholders, advisers, and friends around the country. I'm grateful for the special gifts that each and every one of you has contributed.

Third, I want to express my enthusiasm for our unrivaled system of free enterprise in this country that has permitted the birth, growth, and success of businesses such as ours. Our success is but one measure of what can happen when an entrepreneur is given the freedom to seek and make the most of the tremendous opportunities that abound in an open market. That freedom can never be taken for granted. It is threatened today by heavy-handed regulations and other governmental encroachments that, though sometimes politically popular, can in the long run stifle new business start-ups, curtail solid job growth, and rob our communities of their life blood.

Finally, I fervently believe that all good things come from God. He is the author of every success story, including ours. Years ago I had printed on the back of my business card the following: "If we meet and you forget me, you have lost nothing. But if you meet Jesus Christ and forget Him, you have lost everything." That, as far as I'm concerned, is another way of saying that whatever Curly Hawkins and company may have accomplished, the ultimate credit

belongs to the Lord.

What comes next then is my account of the past seventy-five-plus years (I'm starting way, *way* back, with my parents). Other people would no doubt remember certain things differently, or remember things that I've forgotten or have decided not to include here. That can't be helped. To all those individuals I have not mentioned by name, I want to apologize in advance. Whether I've mentioned you or not, you should know that I value your contribution. If I'd made a long list claiming to include every single one of you, someone would accidentally be excluded, and then I'd feel even worse.

I appreciate the time and recollections of Norm Anderson, Carl Ahlgren, Stan Efron, Dean Hahn, George Belair, Barbara Day, Mime Turner, Jack McKeon, Chuck Colson, and everyone else who has pitched something into this account, as well as the coordinating efforts of Paula DeZiel and Angela Wagamon. I'm also grateful to writer and editor William Swanson, who helped me wrestle all this into words. Thank you one and all.

And thank *you* for your interest in Hawkins Chemical. I hope you won't stop now.

—Howard J. Hawkins
Chairman Emeritus
March 1, 1996

First Things First

HAWKINS CHEMICAL is a Minnesota corporation because its founder—yours truly, Howard John Hawkins—is a Minnesota boy.

My father, John Knute Hawkins, came here from Norway. Granted, he took a rather roundabout route, arriving in this country at the age of sixteen and then working his way more or less westward on the ore boats plying the Great Lakes. He had been born in Kristiania, which is what Oslo was then called, on January 1, 1889, the son of a fish merchant named Hawkinson. When my dad arrived in the United States, either he or the immigration officials who handled his paperwork apparently decided that there were already enough Petersons and Johnsons and Hawkinsons in America, so John Knute should drop the “son” and from that point forward be a Hawkins.

My mother, Anna Lindskog, meanwhile, had been born in Goteborg, Sweden, on June 7, 1892. Her family had eventually settled in Hermansville, Michigan, where her father worked in the lumber mills. The Lindskogs subsequently lived for a while on a farm somewhere in Canada, then returned to the U.S. and finally made their way, like so many other uprooted Swedes, to Minnesota. I was born in Minneapolis on February 2, 1918, the second of John and Anna Hawkins’ five children. My older brother, Kent Thomas, was born in 1912. My younger brothers, Robert Eric and Warren X., were born in 1922 and 1927, respectively. The baby of the family, my little sister Barbara (Johnson), joined us in

1931. It's generally agreed that Barbara, who grew up to be salutatorian of her high school class, got the lion's share of the brains in the family.

My father, by the time I was old enough to notice, worked as a stenographer for the C.B. Lyon Chemical Company. My mother kept us kids in line and the house in order. We lived in three or four different houses, first in St. Paul, then in south Minneapolis, not far from the Mississippi River. We weren't wealthy, but we weren't poor, either. I guess, all things considered, we were a pretty typical middle-class family at the time. My brothers and sister and I attended public school in the neighborhood. At Cooper Elementary, I remember that my sixth-grade teacher, Miss Moffit, made quite an impression on me. She was the boss, as I remember, and I was her fair-haired student. I was also the biggest kid in the class—if that had anything to do with my status. Later on, at old South High School (then located on Twenty-fourth Street near Cedar Avenue), I swam and played football. As a matter of fact, I'm proud to say I was the captain of the Tiger swimming team that won the Twin Cities championship in the hundred-and-fifty-yard medley relay. (Individually, I finished second that year in the hundred-yard breaststroke to Ray Johnson, who grew up to run Mayon Plastics.)

My interest in participatory sports may well have come from my father, who, in addition to pursuing his business activities, devoted a great deal of time to promoting amateur sports in the community. He served, for instance, as president of both the Minneapolis ski and skating clubs, and was instrumental in bringing Sonja Henie, the great Norwegian Olympic and professional skating star, to the Twin Cities for the first time. He was also president of the Norwegian American Athletic Club in Minneapolis.

My affection for the water was stimulated (if not created)

by wonderful childhood summers at our family cabin on Lower Whitefish Lake, near Pequot Lakes, in northern Minnesota. Back in 1925, my mother and two of her sisters-in-law bought a quarter-mile of shoreline and forty acres of land on that beautiful—and, at that time, mostly undeveloped—lake. The next year, when school let out, my father drove my brother Kent and me up there in his seven-passenger Studebaker. Kent and I set up a tent on the property and spent the summer helping Dad build our first cabin. It was a terrific place that we took to immediately and has been an important part of our family life ever since. But it wasn't all fun and games, I can tell you. We worked hard up there also. Besides building and then improving the cabin, our father—who was raised on the water in Norway—insisted we scrape, sand, and paint our wooden rowboat once every summer, whether it needed it or not!

My father, I should add, had a heck of a temper. One of my problems has always been that I keep my anger bottled up inside of me, but I've done that because I vowed that I'd never blow my top the way Dad did. Anyhow, he was a super guy, my dad. He was not a religious man. He never, that I can remember, went to church. But he never, as far as I know, took a drink and smoked only an occasional cigar, and all in all was an excellent role model for his kids. And my mother—she was a super woman. No one worked harder than my mom, and, boy, did she rule our little roost! With four boys I guess she had to if she wanted any order in her home. Unlike my father, my mother was a person of deep religious faith who never missed church. I remember, in fact, not only belonging to our nearby Augustana Lutheran church, but trekking off with Mother and Grandma Lindskog to Sunday evening services at the neighborhood Simpson Methodist church as well. Religion, in other words, has been another important part of my life from the beginning.

An entrepreneurial itch might have been there, too, though it was not something I'd bother to scratch until several years later. My father, after working for C.B. Lyon and at least one other local chemical company, eventually, in the late 1920s, started his own firm, Midwest Chemical Company, with a partner named Wilbur T. Love. They had several good years, too—my father handling the “inside” duties (hiring personnel, overseeing the finances, etc.) while Mr. Love took care of the “outside,” i.e., sales. But, like so many other enterprises of the time, my father's firm fell victim to the Depression. Then, when the business started faltering, Dad's health began to fail him as well. Suffering from high blood pressure, he had a stroke and then a heart attack, the stress of his business setbacks no doubt contributing to his illness. He died in 1938, at the age of forty-nine.

It was a difficult, trying time for the family. My mother was a rock during my father's decline, but then she lost her husband and two brothers within a single year. She was eventually hospitalized for depression, then committed to the state hospital in Rochester, where she lived for several years before moving to a nursing home in the Twin Cities. We kids were by that time grown up enough to be on our own, but what had once been a pretty idyllic family life had become quite a struggle.

I have been asked if, looking back, I can recall ever getting any advice or counsel about my own career from my parents or from anyone else. Honestly, I can't remember either my father or mother saying anything about what we kids ought to do with our lives. We'd been taught to work hard and be honest in our dealings and follow the Golden Rule, but always in a general sense, not toward a specific goal or objective. Certainly no one suggested that I ought to start my own business. If someone had told me that one day I'd be the chief executive of an \$83-million publicly traded corpora-

tion with more than a hundred employees and customers throughout the Midwest, I would have laughed out loud and asked him what he'd been drinking.

The fact is, I didn't have any plans or any ambitions. As a boy approaching manhood, I was quite content to play my life by ear, so to speak, to see what would come my way, and then, whatever it was, to try to make the most of it.

Out on My Own

MY FIRST REAL JOB—if that’s what you want to call it—was shoveling gravel in North Dakota. I was sixteen years old at the time, and I suppose you could say I didn’t know any better.

A neighbor of ours up on the Lower Whitefish, a Mr. Arneson, worked for a construction company that was building an addition to a grain elevator in West Fargo. He said if I was interested, he could get me a job there that summer. I thought, Why not? I wasn’t doing anything, and there was nothing to keep me either at the lake or in Minneapolis. In exchange for helping a fellow load his truck in Minneapolis, I got a free ride to Fargo. After a sleepless night, I hitched a ride with the local sheriff to West Fargo, where Mr. Arneson was waiting with a shovel. To tell the truth, I was hoping to get a good night’s sleep first, but there I was and there was Mr. Arneson with a shovel. What did I know? I was just a kid, new to the nation’s work force. I thought, O.K., so where do I start shoveling?

Well, I shoveled all right. It was hot as heck that day and I didn’t think to wear a pair of gloves, and after several hours I was sweating like a pig, my hands were raw, and, honest to God, I thought I was going to croak. Not only was the heat murder, but rain the night before had turned the ground into that infamous “Fargo gumbo,” and I had to use a putty knife to scrape the wet clay muck off the shovel between scoops. Nevertheless, I made up my mind to stick it out. And the next day, after a decent night’s rest, a handful of

aspirin, and a malted milk, I felt fine—or at least strong enough to go back to that job. As it turned out, I worked at that elevator ten to twelve hours a day, seven days a week, for the next month or so, until it was time to go back home for school. I can tell you this: When I finished that job, I was hard as nails. More important, I'd learned a valuable lesson. I may not have been any clearer about what I might eventually want to do with my life when I got out of school, but there was one possibility I most definitely could eliminate from the list. This kid ain't shoveling gravel for a living—that much I knew for sure!

Another job I had during that time in my life was loading freight for Merchant's Motor Company in Minneapolis. I worked hard for the firm, putting in long, steady hours, so when hunting season rolled around, I didn't think it was a lot to ask if I took some time off. My boss didn't see it quite the same way, however. When I returned to work after my little hunting trip, I found a note on my time card that said my "services are no longer required." It was the first and only time in my life I was ever fired.

I still hadn't decided what to do by the time I graduated from South High in 1935. Then one day my uncle, Jack Lindskog, who sold insurance at Nicollet and Lake Street in south Minneapolis, told me about an opening at the Flour City Body Corporation across the alley from his office. Flour City was the local sales agency for the Hicks Body Company, which manufactured school-bus bodies at a plant in Indiana. My uncle warned me not to tell the local rep how old I was, so I didn't. The rep, for his part, never asked, and I got the job and was dispatched to the factory in Lebanon, Indiana, that very afternoon. A few days later, the Hicks people in Indiana sent me back to Minnesota at the wheel of the bus I was going to demonstrate and sell for the company.

I have to laugh when I think about it. Imagine, I'd never

had to sell a thing in my life, and now here I was, duty-bound to sell, of all things, a big yellow school bus! Well, talk about learning a lesson the hard way. I went three or four weeks without a sale and was just about ready to give up. I thought, Geez, shoveling gravel in Fargo gumbo couldn't be any more difficult than this! But the Lord must have been listening, because then, just like that, I got an order for not one but *two* bus bodies from the school district up in Hinckley. And that's all it took. Suddenly, I knew I could sell. What's more, I knew that if I could sell school-bus bodies, I could probably sell anything. I was seventeen years old, and I now knew there was something besides water sports I was good at.

I can't remember exactly how many bus bodies I sold for Hicks that summer, but it was enough to pay for my first year's tuition at the University of Minnesota. At the U of M, I took courses in what was then called the School of Liberal Arts, with a hazy plan to work toward an eventual business degree, and tried out for the Golden Gopher football team, which was at that time, under their legendary coach Bernie Bierman, one of the nation's gridiron powerhouses. Well, my football career, such as it was, lasted about a week. I might have been foolish, but I sure as heck wasn't crazy and decided fairly fast that I was not put on this earth to be a tackling dummy. I stayed in school a little bit longer. But after two years of study, I had grown tired of the books and decided it was time to earn a living. I just wasn't sure how.

My next job—I can't recall how I landed it—was as secretary to the district sales manager of the Schick Electric Dryshaver Company. The fellow (who shall remain nameless in this account) was a sales genius who netted \$12,000 in commissions that year. Twelve grand was a lot of money in those days—this was the middle of the Depression—so I was very impressed. I myself was acquiring typing and stenographic skills that would prove helpful later (though I

didn't know that at the time). The downside was that for all of his drive and ability on the job, my boss had a serious problem with demon rum. Unable to leave the bottle alone, he'd get drunk every Sunday night, and I'd be called upon to drive him home in his big Lincoln Zephyr.

Making a buck, however, wasn't the only thing on my mind at that point in my life. Through a good friend (and future brother-in-law), Wally Nelson, I had the great good fortune to be introduced to an attractive young woman by the name of Helen Elizabeth McCulloch. Helen, I discovered quickly, was my kind of girl—an athlete and avid outdoors person who'd grown up hunting, fishing, and playing tennis with her father. Leonard L. McCulloch was an impressive individual in his own right. When I met his daughter, he was a vice president at mighty Cargill, the Minnesota-based agribusiness pioneer. And despite the fact that Mr. McCulloch had made clear his doubts about my ability to support a family at that time, Helen and I had fallen in love and were married on July 19, 1939.

But that's not quite the end of the chapter. As if to prove my new father-in-law's point, I ran out of money while we were honeymooning on Burntside Lake near Ely, in northern Minnesota. On the way home we made it as far as Duluth, where I asked the kindly Scotsman who owned the McKay Hotel if I could borrow five bucks for food and lodging. To my surprise, the man said, "No problem. Do you need another five to get home on?" I thought, This guy must be short a few marbles, but I gratefully accepted his loan—and from then on, whenever I happened to be in Duluth, I made it a point to stay at the McKay.

For the time being, though, my future was still up in the air. I may have been a married man, but I had not yet gotten a grip on how I was going to spend the rest of my life, or how I was going to finance it.

The Birth of Hawkins Chemical

ACTUALLY, by the time Helen and I were married in July 1939, I'd been involved for more than six months in a new venture that I'd started with my brother. Which is not to say that I believed I was any closer to a career—my chosen life's work—than I was working for the electric-razor firm. You could say I had a job, I just didn't have a vision of where it might take me.

This part of the story began in the fall of 1938. I was twenty years old, still living at home, still working for Schick. One day, more or less out of the blue, my older brother Kent said to me, "What say we go into the chemical business?" While I had been working at Schick, you see, Kent had been working as a stenographer at Midwest Chemical, the local chemical distributorship formerly run by my father. Recently Kent had been hearing rumors that Midwest was in dire straits, about to founder on the rocks of the Depression. Kent's idea was for the two of us to take advantage of the impending opening in the field, form a partnership, and get into the business ourselves. I thought about his proposal for a while—not long, to tell the truth, maybe a couple of minutes—then said, "O.K." Like the man said, it simply sounded like a good idea at the time.

Well, we didn't have much to launch a business with, but then in those days it didn't take a lot, either. We borrowed \$600 from friends and relatives, rented a warehouse and

pair of small offices for \$86 a month, and on November 1, 1938, hung out the proverbial shingle. Just like that, Hawkins Chemical was up and running. *Up*, at any rate.

The rumors about Midwest Chemical were proving true. Less than three weeks after we opened our doors, that firm declared bankruptcy. Though we thought we'd be in a position to pick up the resulting slack in the local market, we were having problems getting our own house in order. Kent was already working for the new firm full-time, and once the Christmas rush was over, I quit the razor company and hit the pavement on behalf of the Hawkins partnership. But the chemical business was a little tougher than it looked.

The brand-new Hawkins Chemical company, occupying five-thousand square feet on University Avenue, comprised four desks, two chairs, and damn few customers. Business was so tough at the outset, in fact, that we cut our overhead by subletting part of the warehouse and one of the two offices for \$50 a month and renting desk space and telephone service to another entrepreneur for \$25 a month. Believe it or not, though we had slashed our overhead to \$11 a month, we still managed to lose money!

The way to generate business was, as they say in the trade, to get out there and "look for smokestacks," but the main problem early on was not so much identifying customers as holding on to suppliers. The fact is, we weren't getting any cooperation from our suppliers, who were operating under the interesting idea that they ought to be paid every once in a while. Well, Kent and I put our heads together and decided that one of us would have to go to New York to find more understanding suppliers. I was the one, as it happened, so with \$50 from our very lean corporate coffers, I set out on my first trip to the Big Apple.

Talk about traveling economy class! When I called on Stauffer, my first supplier, I was greeted by Hans Stauffer,

his eastern division chief, and his credit manager. Curious about this twenty-one-year-old hayseed from the boon-docks, one of them, making polite small talk, asked me what train I had arrived on.

"I didn't come by train," I replied.

"You *flew*?" I was asked then.

"No."

My story was obviously growing curiouser and curiouser. "You mean you *drove* all the way out here?"

"No," I said, "I took the bus. Paid twenty-five bucks for a round-trip ticket."

Well, in the Stauffer folks' eyes, I was not only curious, I must have seemed downright desperate. Which, of course, I was. Whether they merely took pity on me or saw some faint possibility in my desperation, I don't know. What counted was that the eastern division manager agreed to back Hawkins Chemical for a mixed car of alkalis, carbon tetrachloride, and caustic soda.

All in all, my first visit to New York was quite pleasant. I stayed at the YMCA's Sloan House for seventy-five cents a night. And after calling on suppliers during the day, I enjoyed the hospitality of my Aunt Adele Haakenson, who happened to be the head housekeeper for a Park Avenue millionaire. Adele insisted I stop by for a steak-and-mushroom dinner every night I was in town, so I did, gratefully. Are you kidding? Steak was a rare treat in my parents' house, and steak and mushrooms was an unheard-of delicacy! Though I was dining with the servants, I couldn't help but feel like a king.

I felt a little less lordly on my return trip via Chicago. There I also stayed overnight at a YMCA facility, but there was no Aunt Adele and no steak-and-mushroom dinner. As a matter of fact, after paying a buck for my YMCA lodging, I had exactly seven cents left for breakfast. I squandered that

on a single slice of French toast, figuring that if my timing was right, I'd be invited to lunch by the folks at the Calcium Carbonate Company, who I was calling on that morning. The fellow I met with happened to be one Marlon Brando, father of the man who, a decade or so later, would become the famous actor, and while I managed to arrange with him a carload of calcium carbonate, he didn't ask me to stay for lunch. Successful but hungry, I made more calls in the afternoon and then took the bus back to the Twin Cities that night. Once in Minneapolis, I had to ask the streetcar conductor for the fare to get from the bus depot to our house.

I remember my father-in-law, Leonard McCulloch, telling me one day, "You know, Howard, the hardest ship in the world to sail is a partnership." I guess I was already, in those early days of Hawkins Chemical, finding that out. My brother Kent was and is a great guy, a wonderful fellow—but it was obvious from the beginning that as entrepreneurs we were two very different people.

I would call, for instance, on the Apple River Mill Company and ask them if they used any chemicals. "Yeah," they'd say, "we buy five-hundred tons of ammonium sulfate." So I'd go back to the office and ask my brother, "Do we handle ammonium sulfate?" And he'd say, "No, we don't—just stick with the twelve items we've got." I'd go over to the 3M Company and find out they were buying twenty- to twenty-five-thousand pounds of lanolin. I'd ask what they paid for it, they'd tell me, twenty cents a pound, and I'd think, Geez, Hawkins ought to be getting some of that. So I'd go back to the office and ask my brother, "Do we handle lanolin?" And he'd say, "No. Just sell the twelve." Finally, I took it upon myself to write letters at night, trying to line up sources of ammonium sulfate and lanolin so Hawkins could get an order.

Without really thinking about it in those terms, I was

already looking for new business in specialty niches—something that would eventually become one of the keys to this company’s success. To me at the time, identifying a specialty product was just another way to generate a new account. Kent was content, in the meantime, to work the accounts he’d picked up from the defunct Midwest Chemical. After a while, however, he had to acknowledge my more aggressive approach to new business. He said, “You do *all* the selling. I’ll handle the inside work.” I said, “That will be fine with me.”

Even then, though, with our new arrangement, there was still a fundamental difference in our approaches to the business. My sales activity, for instance, got me up and to the office about seven o’clock in the morning, whereas his “inside” obligations allowed him to stroll in about nine. On the other end of the day I’d usually be out making calls until five-thirty or six o’clock in the evening, while he’d have taken care of what was on his desk by four or four-thirty. Even more annoying to me was the fact that he kept the company’s books and wouldn’t let me in on the numbers. One day I decided I’d had enough of the current arrangement. I told Kent I wanted to see the company’s financial statement. Well, he stalled and stalled, until finally I said, “Either you give me that statement or I’m leaving.” So he showed me the statement. Only then did I discover that we were more than \$3,000 in the hole.

I said, “We can’t go on like this.”

He replied, “Well, *I’m* not getting out.”

So I said, “O.K., then. Goodbye and good luck!”

It might have ended that way, too. But then Jack Bush, who was the sales manager for PPG Industries, our largest creditor at the time, got the two of us together and told my brother, “If you don’t let Howard run the business, we’re going to close you down today.”

That did it. Kent and I dissolved our partnership, which

had truly proved a difficult “ship” to sail. Kent headed south, taking a good job with the Southern Alkali Company, a division of PPG Industries, based in Corpus Christi, Texas. He eventually went on to California, where he worked for L.H. Butcher & Company, a fertilizer manufacturer. As for me, I assumed all of the company’s debt and went out looking for more smokestacks.

This was not the way I had planned it. Heck, I hadn’t done any planning at all. Nevertheless, this was life, as I’m fond of saying, in the putty-knife factory. There was no time to second-guess myself or worry about the future. I was barely twenty-three years of age, and I had a company to run.

The War Years

BY 1941 HAWKINS CHEMICAL had, through a combination of hard work, inexperience, and uncertain times, found a way to dig itself from a \$600 hole into a \$3,500 pit of indebtedness. My brother Kent and I had dissolved our partnership, so the debt was all mine. Thankfully, I was able to borrow \$8,500 from my father's estate, allowing me to pay off the debt and giving me a little operating capital, though that wasn't an easy proposition, either. My mother, who controlled the estate, required no small amount of convincing. From her point of view, giving me those funds would be throwing good money after bad. At the same time, she had no better ideas for either paying off the company's debt or making a living, so she finally gave in. I would be forever grateful for the help.

Then, in 1942, I moved our office and warehouse from its original site on University Avenue to a somewhat larger space on Washington Avenue North in Minneapolis. So, with a little more breathing room but not much else, Hawkins Chemical was now a sole proprietorship, and yours truly was the fellow in charge. Maybe I was just wet behind the ears, maybe I was too dumb to know any better, but the truth is, I felt confident that I could make a go of the business. I had a lot to learn about chemical distribution, and there were a lot of people out there—my competitors—who knew a lot more than I did. At the same time, I had energy to burn, was willing to work long and hard, and knew in both my heart and my head that Hawkins Chemi-

cal could provide its customers the kind of service that would make us a success.

Talk about on-the-job training!

When people ask me what I knew about chemicals in those early days of the business, I have to laugh. I tell them the truth: nothing. What's more, I tell them, the only class I ever got thrown out of in high school was chemistry! Actually, that was all a misunderstanding. My chemistry teacher, a Mr. Partridge, was a little hard of hearing. One warm afternoon, long before the days of air-conditioning, I happened to be sitting next to the open window when a fire engine came rushing down Cedar Avenue. Mr. Partridge, hearing the racket coming from the general direction of that open window, singled me out with his bony finger and accused me of whistling in class. The class roared. For once in my life I said nothing, and Mr. Partridge told me to leave. I left and never came back. And that was the end of my formal chemistry training.

My brother Kent, though very skillful with a typewriter and adding machine, was no better versed in chemistry than I was. What he knew about the business, he had learned from his work in the office at Midwest Chemical. When he and I split, I didn't even have his knowledge to draw on. But I soon realized that if the school system didn't give me all the training I might have needed, the Lord gave me a lot of common sense and the ability to listen. I discovered early on that there were many kind and generous people in this business who would answer the questions of an ignorant newcomer, and that all I had to do was ask the question and then shut my mouth and listen. The guy down the street, plus my own day-to-day experience, would give me the knowledge I needed.

At the beginning, though, I was just a dumb kid trying to make a buck. What we were doing seemed, on the face of it,

pretty basic. We were unloading freight cars, stacking chemicals in a warehouse, filling orders, and shipping the chemicals out again. That was it, or so it seemed from where I was standing. We just brought the stuff in and moved it on out again. Buying and selling. How much expertise did a fellow need to do that?

My role, as I saw it, was making the sale and collecting on that sale. Sometimes it was as easy as falling off a log, sometimes it was as hard as pulling teeth. I remember one day, early on, I met a kid I knew on the street. The kid's name was Red Erickson, and he worked for a dry-cleaning establishment in south Minneapolis.

He said, "Howard, what are you doing?"

I said, maybe puffing up my chest a little bit, "I'm in the chemical business, Red."

"Ah-hah," he said, adding, somewhat to my surprise: "Do you handle carbon tetrachloride?"

I said I thought we did, and he suggested I go see his boss, the dry cleaner. "He uses a drum of the stuff a week," Red explained.

So I went to see Red's boss. "Sure, he said. "Send me over a drum, C.O.D."

Well, I did. What could have been easier than that? And that went on for about six weeks—one drum a week, \$33 cash on delivery.

Then one day the fellow said, "Howard, do you suppose you can give us one drum on open account and then ship the next drum?" I said sure. And that arrangement continued for another month, after which he said, "Howard, do you suppose I could have *another* drum?" A little uneasy now, I said I would have to talk to my brother. As it turned out, my brother said O.K., so I gave the man a third drum. Then, predictably enough, he asked for a fourth, which we gave him. But that was that. Now it was time to collect.

Someone—I believe it was the sheriff—said, “Good luck, son. You’ll never get your money from the guy.”

I replied, “I guarantee you I’ll get every dime.” Once again, I might have been just a babe in the woods, but I found it inconceivable that, first of all, someone would try to stiff me, and that, second, I wouldn’t be able to collect what was owed. I had no qualms about demanding what was rightly mine. I wasn’t one to mince words, either.

So I marched into the fellow’s shop and said, “John, I want my money.”

The guy looked at me and played hurt. “You don’t trust me,” he said.

I said, “I want my money.”

Well, he stalled some more, and said he’d pay back what he owed in \$10 installments. I said, “O.K., but I’m going to keep coming back until I get everything that’s coming to me.” And I did. I kept coming in and demanding a \$10 payment until he got so sick of seeing me that he finally gave in and gave me the balance (I don’t remember how much exactly), so he wouldn’t have to see me again.

It didn’t get any easier when I was on my own. People ask me if I had grand dreams of running a big, successful company, if I saw myself as a bold entrepreneur intent on building a major enterprise. Well, no, I didn’t. To tell you the truth, when I first started out I couldn’t see much farther than the next sale. Heck, I didn’t have time to dream. All I thought about was getting the order and then getting paid, hoping that there would be something left to take home.

And, though, beginning in 1941, I was the sole proprietor of Hawkins Chemical, I had the help of a couple of smart, industrious folks to help make the business go. Fred Hoffman, for one, was my bookkeeper. Though semi-retired and working only part-time, Fritz, as we called him, handled the inside duties while I was out chasing after busi-

ness. My first secretary was a young woman named Barbara Day, whom I hired directly out of the Minnesota School of Business on the recommendation of my brother Bob, who had met her in class. Though Barbara hadn't finished her schooling yet, I impressed on her how badly I needed the help. Thankfully, despite her qualms, she accepted my offer and started work immediately at the princely wage of \$65 a month.

The Japanese attack at Pearl Harbor in December 1941 turned the world upside down. Our little business, you can be sure, was affected along with everybody else's. As you might expect, we had a tougher time buying certain chemicals that were needed for the war effort, and we couldn't count on rail transportation for our deliveries as troop movement and materiel shipments took top priority. Our tiny staff became even tinier when our few warehousemen were drafted or enlisted. Not long ago, Barbara Day wrote a brief recollection of that difficult period. "In time," she wrote, "Hawkins Chemical became: Mr. Hawkins as salesman, boss, chemist (in an advisory capacity), and general manager of the business; Mr. Hoffman, the semi-retired, part-time bookkeeper; and the recently recruited secretary—now typist of Mr. Hawkins' shorthand instructions, shipping clerk, telephone answerer, tracer of late shipments, and, finally, as the War progressed, even warehouse manager."

Our tight times got even tighter when, in 1944, the local draft board gave me six weeks to either shut down the business or find someone else to run it in my stead. Earlier in the War I had tried to enlist in the Navy. Along with millions of other young men and women, I felt that, though I had a small family and a struggling business, it was my duty to serve. (I'd already put three years in the National Guard and knew I didn't want to be a foot soldier.) But, by that time, I was suffering from a condition known as *alopecia areata*—I

was losing my hair in spots and patches, cause unknown—so the Navy turned me down.

Now, in 1944, the Army wanted me, despite the fact that I had a wife and two kids (and the *alopecia areata*). They were obviously scraping the bottom of the barrel.

I did what I had to do. I hired a chemist who'd been granted a 4-F deferment to run the business while I was gone. In the brief time I had left before my reporting date, I told him everything I knew about the business. (Believe me, what I knew in 1944 was a heckuva lot more than what I knew in 1941, time and experience and a growing number of friends in the industry being great teachers!) I also took him around our small but growing universe, introducing him to all of our accounts and each of our suppliers. When the time came, I said, "Bye, Bob," and set off for the War.

I didn't quite make it. I joined the Army Air Corps, and my first stop was Amarillo, Texas. There I qualified for training as either a pilot or a navigator. My next stop, however, was Roswell, New Mexico, where I was put to work helping overhaul B-17 bombers. I was frustrated, to say the least. Now that I was a member of the Air Corps, I wanted to fly airplanes, not fix them. But, as all veterans know, the military, like the Lord, moves in mysterious ways. From Roswell I was sent to Carlsbad, New Mexico, where I was put in charge of supplies. Finally, as the War was winding down, I shipped out to Denver.

Back on the home front, events weren't going quite as planned, either. The 4-F chemist I hired had abruptly quit on me after I'd gone. Not only had he quit, he had started his own chemical-distribution outfit to compete with mine! Thank God, Fritz Hoffman and Barbara Day stayed at their posts, or I don't think we would have made it. Even at that, it was tough sledding what with the material shortages and transport problems and the rest of the wartime complica-

tions. With Fritz and Barbara keeping the home fires burning, I did my best from my distant locations. At night and on the weekends I would go over the copies of invoices and other paperwork Fritz and Barbara sent me, and I'd write each of our customers a personal thank-you for their orders. Two substantial accounts in particular helped keep us afloat. They were 3M in St. Paul and Superior Plating in Minneapolis, and I'm gratified to say they remain good customers to this day.

With that kind of support Hawkins Chemical managed to survive the War. When I was discharged from the service in November 1945, I was a lowly private first class and still hadn't learned how to fly. But I was once again the pilot of my own business, and that was more than enough for me!

Home Again

I OWE A GREAT DEAL to Fritz Hoffman and Barbara Day for having a company to come back to after the War. Though I did what I could via the mail, it would have been impossible to hold a business like ours together as an absentee entrepreneur. This was 1944 and '45, remember—long before office computers, faxes, and the other electronic wizardry that has revolutionized communication and made all kinds of remote operation possible.

Now the War was over, and, like millions of other impatient young people, I had come home eager to pick up where I'd left off and get on with life. For me, that meant resuming normal family life in the house Helen and I bought in St. Louis Park, on the west edge of Minneapolis, and getting back to my little business on Washington Avenue.

Actually, getting back to the business meant spending as little time as possible at the office. My strength, so far as God gave me strength, was in sales, and I believed in leading with my strength. Barbara Day used to say, "Howard, I never see you, because you're out pushing doorbells all the time." Well, she was right—I *was* out making calls from morning till night, and that, to my mind, was exactly what I ought to be doing.

I've never spent a lot of time analyzing myself or my technique. It's possible, I suppose, that I was born with an aptitude to sell. I have always liked people, I have always tried to do the right thing by the people I'm dealing with, I have

always believed that I should try to help solve people's problems. That pretty much summed up my approach to sales from the beginning.

As far as particular tricks of the trade were concerned—well, about the best I can do is tell you what worked and what didn't. I can tell you, for instance, that in a competitive industry such as ours—where one carload of caustic soda is identical to the other guy's carload of caustic soda—a fellow has to distinguish himself from the competition any way he can. The *alopecia areata* that robbed me of my hair provided me with a distinctive moniker. "Call me Curly!" I'd tell the folks I was calling on. A bald-headed fellow who called himself "Curly" was someone people tended to remember, I learned.

(A bald-headed fellow could also be the "victim" of some crazy confusion. During the late '50s and early '60s you wouldn't believe how many times I was mistaken for Yul Brynner, the star of *The King and I* and *The Magnificent Seven*. Once, for instance, on a commercial flight to northern Minnesota, I noticed that a fellow passenger was staring at me. When I turned and smiled at the woman, she said, "You're Yul Brynner, aren't you?" When I said I wasn't, she simply didn't believe me. "Yes, you *are*!" she insisted. I'm sure she told everyone she knew when she arrived at our destination that she'd shared an airplane with Yul Brynner.

(This sort of thing happened enough to make me want to meet the real Yul Brynner and check out the resemblance for myself. One day, when we were vacationing in Mexico City, I happened to see that, lo and behold, the actor was in town. As a matter of fact, I was being mistaken for him there, too. Shopkeepers were even trying to force me to accept gifts, believing, no matter what I said, that I was the famous star. Well, I decided to track the guy down. It took some doing—I chased around town from noon until about ten

o'clock that night—but I finally managed to catch up with him at his hotel. When he saw me, he was dumbfounded. He couldn't get over how much he thought we looked like each other. I have to confess, though, that I was kind of disappointed. The real Yul Brynner was such a little fellow. He looked much bigger on the screen!)

Some of the old-timers in northern Minnesota may also recall my coming to see them with a two-by-four under my arm. "Hey, Curly," the customer would say, "what the heck you doing with that two-by-four?" Which would give me the opportunity to tell him about the new cabin my kids and I were building over on the Lower Whitefish. More often than not, the customer had a cabin of his own up there somewhere and would share in my enthusiasm. Even if he didn't, chances were pretty good that he'd remember the guy who called on him with a two-by-four under his arm!

I always believed in the personal touch—remembering people's birthdays, knowing the names of their kids—because I genuinely liked them and was as interested in their lives away from the job as on it. I liked to present roses to receptionists and secretaries, who often didn't get either the attention or recognition they deserved. I made it a point to treat everyone I encountered, whatever their role, with the friendliness and respect I believe one human being naturally owes another. If that kind of behavior helped folks remember me—and, through me, Hawkins Chemical—so much the better.

When I thought about what helped me make a sale, I eventually realized that it wasn't so much a matter of this or that technique as it was one of attitude. I believe I had always been a pretty positive person, able to see the bright side of most situations. But not long after I returned home from active duty I attended a series of evening classes for salespeople at the old Vocational High School in downtown

Minneapolis. The classes were called “Adventures in Attitude,” and they emphasized the fact that a positive approach to life’s challenges can help you move mountains. (I have long since been an admirer of Dr. Norman Vincent Peale, whose “Power of Positive Thinking” has helped millions of people all over the world achieve their goals.) What I took away from those classes—and what I’ve learned through the day-to-day, year-after-year experience of building this business—is that believing you can succeed is the all-important first step toward success itself.

But, by golly, it was slow going early on, positive attitude or not. That’s not so difficult to understand. Hawkins Chemical was a little upstart company that was attempting to horn in on a lot of bigger, well-established distributors. I remember calling on a tanning company in Red Wing, Minnesota. The ornery old fellow who ran the firm would toss me out every time I went in there. He loved to say, “Why the blankety-blank should I buy anything from you?” Obviously, this was not a guy who’d be impressed by a funny nickname or a two-by-four from my north woods construction project. One day, as he was about to give me the boot yet again, I decided I’d had enough. I may not get the man’s business, but I sure as heck didn’t have to put up with his rudeness. Well, much to my surprise, that tanner not only heard me out, he agreed to start giving us his business. Seems he’d been amusing himself by testing my mettle.

Another company I personally called on for *fifteen years* before we landed their business. I guess I simply couldn’t accept the idea that the firm would be able to hold out forever. I knew we could help them. I knew we could provide them with the service they couldn’t get from anyone else, and I made up my mind that I would prove that to them if it took me till you know what freezes over. It almost did.

Thank God, that was the exception. Cracking new

accounts often took years, not *decades*. At any rate, tenacity was as necessary a part of the Hawkins Chemical sales effort as self-confidence and a positive attitude. Truth to tell, there might also have been a little pity in that mix, at least early on when I was just floundering around in the dark. Even then, though, I was always trying to learn from those potential customers, to listen to what they had to say about their business, their problems, and their needs, and then try to figure out ways that Hawkins Chemical could help them.

Of course, I wasn't building the company by myself. During the mid- and late 1940s, new people were coming aboard and we were slowly but surely building a team of bright and committed employees. Mimi Ranum replaced the "irreplaceable" Barbara Day as my secretary not long after the War ended, and quickly became irreplaceable in her own right. Fritz Hoffman served us faithfully until his death in 1958. His bookkeeping responsibilities were eventually taken over by my very capable aunt, Mabel Lindskog.

Two very important figures in our development following the War were Reuben Ostrom and Norman P. Anderson. Reuben had actually been one of our earliest employees. As a matter of fact, in the early '40s, before he went off to the South Pacific, Reuben worked the day shift while I worked at night. He liked to say he never saw me at the plant, and as far as he was concerned he had greater seniority than I had. Reuben was quite a guy. A good man, a hard worker. Also a terrific friend who knew how to have a good time. Reuben fished and played golf with the best of them. Thankfully, he returned home safe and sound after the War, and rejoined Hawkins Chemical as a crackerjack salesman. He was one of our key players until he retired in 1967 because of poor health.

Norm Anderson, who was a nephew of Fritz Hoffman, came to work at Hawkins in 1945. Hired to sell and help

with the inside work, he was on the staff before I returned home from Colorado. At that time, of course, it wasn't much of a staff, and Norm figured he was only going to be helping his uncle out until the War's end. Norm had no more background or training in chemicals than the rest of us. In fact, he was planning to pursue a career in life insurance, which he had started selling before the War. During the War, he saw a lot of heavy action with the 34th Division of the 135th Infantry, taking part in the Allied invasions of North Africa, Sicily, Italy, and France. He came home shortly before the end of the fighting in Europe.

Norm has a keen memory and not long ago recalled what Hawkins Chemical was like when he arrived in 1945:

"I was surprised to find that the company had only a part-time warehouse man, a girl who was doing stenographic work, and my uncle, the bookkeeper. I thought, Geez, there doesn't seem to be a lot going on here, but as long as they were paying me \$200 a month, I'd hang around for a couple of months and see what develops.

"After a couple of days I remember saying to my uncle: 'How does this place stay in business?' The phone never rang, there wasn't any price book, there wasn't even much in the way of inventory. My uncle said, 'Well, I'll show you our system. These blue cards here are our suppliers, the buff cards are our customers. Here are the names and what they bought and how much they paid for it.'

"There still didn't seem much rhyme or reason to the operation, so I decided it was up to me to learn a little more about the business on my own. So I asked Fritz who we were supposed to be competing with. Then I started calling the competitors' names he gave me. I'd ask the first one for their city desk and say, 'Could you give me the price of five bags of trisodium phosphate' and the other [inventory] items I had on my list? Then I'd call a second competitor to

make sure the first figure was in the ballpark. After I'd done that for a couple of weeks, I started calling customers. I didn't lower our price, ever. I might have been new to the business, but I was not one to sell anything if we weren't going to make any money on it.

"Well, at first I thought I was the greatest chemical salesman in the world. I couldn't believe it! Everybody I called was interested! Of course, I didn't know anything about allocations and the shortage of product in wartime. I was just reeling the numbers off. Then I started sending my orders to various suppliers. Much to my chagrin, the suppliers told me: 'You've had your allocation, and that's all we can give you.' The problem then was not *selling* the stuff. The problem was *getting* it. That's how much this hot-shot knew at the time!"

But Norm was a quick learner. Also, like me, he discovered that our business was blessed with a lot of kind and considerate people who were happy to share their experience with the new kids on the block.

Norm, for instance, had the good sense to explain his problem to Bill Block of Blockson Chemical, a phosphate supplier based in Joliet, Illinois. Bill and I had known each other and done business before I went off to the Army. He was a prince of a guy who once lent us \$2,000 when we were struggling to survive. When I later returned the \$2,000 with interest, he sent the check back with a note saying he didn't charge his friends interest. I was so touched by the man's kindness I cried. Now Bill listened to Norm's tale of woe. He laughed when Norm explained that he hadn't begun using his combat stories to soften up suppliers, and advised Norm to do so "only as the last resort." Better yet, he told Norm he would ship Hawkins a carload of phosphate on the condition that nothing ended up on the black market and that there would be no price-cutting or gouging. Norm

gratefully assured Bill that such practices would never be used by Hawkins. Then Norm talked to Jack Bush, my old pal from PPG, and Jack, after hearing him out, promptly sent us a carload of caustic soda, soda ash, alkali, and other supplies we desperately needed. Norm, as you might expect, began to feel a little better about the business. He'd discovered that he had a lot to learn about the chemical industry—and that there were some fine folks out there willing to teach him. He had also learned the absolutely vital importance of a close and honest relationship with our suppliers. Without their cooperation, we didn't have a product to sell.

But Norm still had some doubts. As he puts it:

“Well, here it was, getting on near 1946, and the guy who owned the company still wasn't back from the service, and all of a sudden I had a shot at a good job with a paper company. Here I was, when I wasn't trying to get and sell our product, unloading boxcars and vacuuming the rug in the office. We had a clothes pin on a string to lower the bills of lading from our office on the second floor to the guys loading the trucks—it was really a Dark Ages operation. But then I happened to talk to an older friend, who suggested that I think about staying on at Hawkins. It was hard work, but it was honest, and the company had nowhere to go except up. Well, I thought, What do I have to lose? I've pretty much given up on the life-insurance idea, and I don't know any more about the paper business than I do about chemicals. I was getting on-the-job training in an interesting and important industry, and making decent money to boot. I decided to stay put.”

Everyone, including Norm himself, was very glad he remained at Hawkins, though, as Norm says, “I knew it would be a little longer than tomorrow before there'd be a financial payoff.”

One of the first orders of business when I finally returned to the company was finding us some more elbow room. For the past several years we had been working out of a portion of that old brick warehouse on Washington Avenue. Besides Hawkins Chemical, the building's tenants were a crazy jumble of businesses that included a machine shop, a puffed-wheat producer, a nut roaster, a mayonnaise manufacturer, and a plastics company. We rented about five-thousand square feet of office and warehouse space on the building's second floor, using two- and four-wheel dollies to cart bags of chemicals in and out, then a single elevator used by everyone in the building to get up and down. If we were going to grow, we needed more space, with a better layout, and in a more convenient location. Besides, our landlord had doubled the rent when I returned from the service, and I'd made up my mind we were going to own our own property.

That site turned out to be thirty-two-thousand square feet at 3100 East Hennepin Avenue in Minneapolis (almost on the boundary with St. Paul). A fire had destroyed the site's previous occupant, and we got the acreage for a pretty good price. We set to work constructing a six-thousand-square-foot office and warehouse complex, and moved into the new facility in July 1948. Though it's changed a great deal, with additions and expansions and remodeling to fit a growing business, that facility has been our home sweet home ever since.

Setting the Course

THE LATE 1940S and early '50s were a time of growth and expansion for Hawkins Chemical. Sales had increased from zero when we first opened our doors to about \$300,000 by the end of our first decade in business. Warehouse capacity—which we have long believed is a good way to measure our ability to meet our customers' needs—jumped from one-thousand to six-thousand square feet during the same period. We employed seven persons at our new East Hennepin office-and-storage facility by the early 1950s.

That period was also a time in which we “grew up” as an organization, slowly but surely building the infrastructure and adding the personnel we needed to serve our customers in the post-war boom. It was during that time that Hawkins Chemical took on the services of several of the people who would play key roles in the company's massive expansion of the '70s and '80s—and indeed would lead it to this day. It was also during that time that the company evolved from the sole proprietorship I had returned to from the service to a modern-day corporation.

We were, from the beginning, a sales-driven company. Except for the period I spent in the Army, I had done most of the selling since Day One. It was never something I had to think about or plan for or crank up my nerve to do. My experience selling school-bus bodies and electric razors had taught me the basics of the sales game and built up my confidence in whatever persuasive abilities God might have

given me. At any rate, selling product seemed the most natural role in the company for me. It was certainly the only way Hawkins Chemical was going to make a buck.

When Norm Anderson and Reuben Ostrom came aboard at the end of the War, I decided I would have to share the fun and give them some of my accounts. Frankly, that was difficult for me, because in most instances I had worked hard to develop a close working relationship with a customer and now I was going to have to pull back from it. I realized, though, that if the company was going to grow, it would have to expand its business beyond what a single individual could sell and service. Some accounts, of course, would insist on dealing only with the president, the guy with his name on the building, and some would be tricky to land and then keep in the boat. Those accounts I kept to myself, at least for the time being.

Our goal, pure and simple, was to be the best sales organization in the business, which we defined at that point as basically industrial and laboratory chemicals. We would strive to be the regional leader in customer service and innovative problem-solving, and vowed to earn a fair profit without competing on price. As a matter of fact, we have *never* tried to undercut or lowball the competition. That seemed then and it still seems today a good way to make a few bucks in the short run, but a bad way to grow a company that intended to be around for a while. Judging by the number of distributors that have come and gone in the past fifty years—many of them rising and falling behind the banner of price—I'd have to say our service-and-innovation strategy was the better choice.

Norm and Reuben were the right men to help me advance that strategy in the marketplace after the War. Like me, they had a genuine feeling for the people we were calling on, a willingness to learn the customers' problems, and a

determination to help find solutions to those problems. From purely the company point of view, they understood the absolute and fundamental importance of making the sale.

Then, just as we were beginning to develop some momentum, Reuben was called back into the Army because of a new war, this one in Korea. Once again, though, we were lucky. A personable young veteran named Carl Ahlgren happened to run into a fellow named Cliff Scott, whom he'd met through an Army chum. Cliff happened to be the local representative of the Merck pharmaceutical company, which happened to supply lab chemicals to Hawkins for distribution. Carl had spent three years struggling to sell sterling silverware, then had spent a month struggling to sell life insurance. He was discouraged and looking for a break. Cliff listened sympathetically, then said he knew a small but growing company that was losing one of its salesmen to the Korean emergency. When Cliff called me on the phone, I said I'd be happy to talk to Carl.

Ahlgren was a bright and energetic fellow who'd studied business administration and played basketball at Macalester College in St. Paul. I think he might have lost a little self-confidence in the silverware and life-insurance business, but he was eager to try his hand at chemicals.

Like most of the young people we've hired over the years, Carl had to learn the business from the ground up. In the morning, he unloaded boxcars behind our new building. He'd studied geology in college, but not chemistry, so now he had the opportunity to gain some hands-on knowledge—that trisodium phosphate, for instance, came in hundred-pound bags and that trichlorethylene was shipped in fifty-five-gallon drums. In the afternoon, he went along with me on sales calls. The idea, of course, was that he would take Ostrom's place.

Carl, like Norm Anderson, is blessed with an excellent

memory. Asked about the company when he arrived here in 1951, he said: “What I recall the most, I think, is the sense of honesty and humor and friendship I found. That and the desire to grow. The company’s sales were considerably under a million dollars at the time, but they clearly had plans to be a bigger operation.

“I was surprised, though, at how little pressure I felt. Reuben and Howard were old friends, and now I was being groomed to take Reuben’s place. Still, I think I was a lot more impatient to make a sale than Howard was.”

That was Carl all right. He had been under a lot of pressure selling silverware and life insurance, and I think he brought that feeling with him here. Anyway, the first day we went out together we didn’t get an order. The second day we went out we didn’t get an order. The third day he was really antsy. I said, “Carl, relax. This isn’t the silverware business.” Well, that third day we *still* didn’t get an order. That went on for a week, and Carl said, “Geez, Howard, I don’t know about this.” I think he might have even thought about going back to selling insurance. We were probably out there for three weeks before we finally made a sale, and by that time he was fit to be tied. But that, he learned, was the nature of sales in the chemical industry.

“Howard would always say, ‘First you’ve got to plant the seed. Then you have to nurture it. Eventually it will blossom,’” Carl has said. “He was right, of course. It can be very difficult and take a long time to make that sale. It’s very much a relationship business.”

Norm and Reuben had been quick learners. So was Carl. He was very soon an excellent salesman who developed close personal and professional relationships with his customers.

“I remember Howard criticizing me once for spending too much time trying to develop new business and not

enough time with our current accounts,” he says. “Howard said, ‘We have these very good customers. Let’s make sure we take good care of them.’ So that’s what I did.

“I’d call on some of those existing accounts every few weeks, depending on what their needs were. Sometimes as often as once a week. Part of those calls was social. I’d try to catch a purchasing agent, say, when he was taking his coffee break. We’d talk about baseball or our families—that sort of thing. But then there were always the questions. I’d ask how our service had been, if our deliveries were on time, if they had any complaints, if there was anything else we could do for them.

“Not having a chemical background didn’t get in the way, because we always knew where we could get answers to a customer’s questions. Most of those answers came from our suppliers, who were always happy to share their expertise. Thus, as Howard says, our relationships with suppliers were just as important as our relationships with our customers. We always tried hard to know our suppliers, to understand *their* problems, to appreciate the fact that they had to make a profit, too. Loyalty to suppliers, just as much as service to the customer, was always a big thing at Hawkins.

“When you think about it, the product is identical to the other guy’s. If you don’t compete on price—which we didn’t—then those relationships and the kind of service you could provide were crucial. When I’d go see a prospective account, I’d tell him: ‘We’ll give you service. You want that particular chemical on Christmas Eve, we’ll get it to you on Christmas Eve. That’s the way we operate.’ And it was. Purchasing agents would talk among themselves, and the word would get out who had done well by them and who had let them down. I’m proud to say we always had an excellent reputation.”

In the 1950s we were starting to stretch our business to

the boundaries of Minnesota—and then a little bit beyond. That meant a heckuva lot of time on the road for our salesmen. When Carl first hit the pavement for us, he called on accounts scattered between Bismarck, North Dakota, and LaCrosse, in western Wisconsin. I'm talking now about the days before interstate highways and the current freeway system, before much in the way of front- and four-wheel drive and dependable air-conditioning and all the other comforts we take for granted in our vehicles. So most weeks Carl would be on the road from Monday morning until Friday night, charging from one distant account to another. And, believe me (because I've been there myself), it wasn't always—or even often—smooth sailing.

One nice thing about our good people over the years—they've often been able to bring in *more* good people. Part of our ability to draw such fine employees has been due to our reputation as an excellent place to work. But part of it has been the enthusiasm and commitment of our workforce, which attracts the attention of other enthusiastic and committed workers. Accordingly, Carl Ahlgren's value to Hawkins Chemical was increased by his ability to recruit additional good salespeople and eventually to direct their efforts as the company's sales manager. Among Carl's recruits have been such outstanding performers as Jerry Walstead, George ("Frenchy") Belair, Ina Dahlen, and Darlene Fernholz.

Frenchy Belair joined the company in 1963—the first Hawkins salesman to have training and sales experience in the chemical field. He'd spent seventeen years, in fact, with two of the largest chemical companies in the country, Merchant's and McKesson. Hawkins had sales of only a couple-million dollars at the time, and more than one acquaintance asked Frenchy if he knew what he was doing. One of his longtime customers called him and said, "George, are you

sure you didn't make a mistake going with Hawkins? Take a look at their truck. It's held together with baling wire, and the fenders look like condor wings!" Frenchy replied, "I *didn't* make a mistake. This company is going to move, and move real profitably and successfully." To this day, Frenchy insists he could see we were "a sleeping giant."

Frenchy, as it turned out, played a big role in getting that "giant" up on its feet. He recalls, for instance, walking into the office of the purchasing agent at the E.F. Johnson Company in Waseca, Minnesota, and announcing that he had moved from McKesson to Hawkins Chemical. The man said, "What in the world is Hawkins Chemical?" But that didn't keep him from switching the firm's chemical business to Hawkins. Frenchy was also instrumental in the expansion and development of our sales staff, arguing time and time again that the way to build the business was to hire more good people to sell the product. "Salesmen," he predicted, "will be the nucleus of this company." And, of course, he was right.

Another one of Carl's recruits was Dean Hahn. A graduate of Mankato State University, Dean had taught chemistry and coached football, basketball, and track at Caledonia High School in southern Minnesota. Later he spent seven years with the state health department as a water and waste-treatment plant inspector. He was giving seminars on the subject of municipal water treatment when Ahlgren approached him and asked if he was interested in a new career. Luckily for us, he was.

Dean joined Hawkins Chemical in 1964—the first formally trained chemist on the staff. His first assignment was to make the most of his education and experience by getting us into the distribution of municipal water and waste-treatment chemicals. His basic territory was the southwest third of the state, ranging from Albert Lea (his hometown) to

Sioux Falls, South Dakota, to Fargo, North Dakota, though he also served as our water-treatment troubleshooter wherever his expertise was needed.

Like the more veteran members of our team, Dean took quickly to the company's sales-and-service orientation, as well as to our determination to grow. "Hawkins was about a \$2-million company when I got there," he says, "but it was working hard to go to \$3 million. The company had always been geared to service—to giving its customers a little more help than what the competition was giving—and that was very much the idea when I arrived. We were always looking to help. That was our forte then, and it's never changed. We've always been eager to go the extra mile for the customer."

The fuel for all of our activity and growth was, as it is in any business, money. Hawkins Chemical had been in and out of debt since its beginnings, and operating capital was still tough to come by during those growth years of the late '40s and '50s. Not long after I got back from the service, Norm and I went to a bank in north Minneapolis to see about a short-term loan. We were strapped for cash, as we were fairly often in those days. We needed \$3,000 to pay for an incoming carload of materials, and we assured the bank that we'd pay back the full amount within sixty to ninety days. Well, they turned us down flat. They didn't want to risk their money on a struggling company whose future, in their eyes, apparently didn't look any richer than its past. Later on, of course, this same bank wanted to give us the world—but then we didn't need it.

The episode left a bad taste in my mouth, and I decided that from that point forward we would avoid banks and debt as much as we possibly could. I should add here that one banker—Clarence Frame, of the First National Bank in St. Paul—did a great deal to help us when we needed it. Clarence went out of his way to get to know us and our busi-

ness, and to this day I give him a lot of credit for our survival during those lean times after the War. But Clarence was the exception. While we did most of our early financing through the banks, I decided that bankers were people our company could do better without.

I've often said that the trouble with bank loans is that the bankers always want their money back. It was preferable, I figured, to develop the cash through our own operation and finance our expansion ourselves. Because we worked like heck to sell our product and because we never discounted our pricing, that was what we were able to do—though it took time and patience and a very talented and committed organization to get the job done.

Expansion, Acquisition, Innovation

WHEN I'M ASKED if Hawkins Chemical followed some sort of blueprint or road map to grow, I have to be honest and say no. Not in the early days. Not even during our growth spurt during the '60s and '70s. We were determined to get bigger, sure, but there was never any grand plan or strategy by which I figured we'd get from here to there. The best way I can describe our method (such as it was) is to say we took advantage of opportunities as they presented themselves. Any opportunity where we thought we could make a profit—well, believe me when I say we took a good, hard look at it.

I realize that that's not the way they teach it in school. The books say you're supposed to plan your work and then work your plan. But that's how we were able to go from selling a couple of different chemicals to a handful of local customers to selling more than five-hundred chemicals to more than a thousand customers in eight Midwestern and Western states.

Of course, we viewed every customer as an individual opportunity from the beginning. Selling and servicing that growing list of opportunities was, as I tried to make clear in the previous chapter, the heart of our day-to-day opera-

tions. That's how we generated our working capital, and that's how we established our reputation. But once we were up and running and making both money and friends, we realized that there were other kinds of opportunities that would, if we made the most of them, allow us to expand faster than we ever had before.

Now, when I speak of opportunities, I'm talking about the chances we saw to expand our existing activity, to develop new products and services through innovation, and to add companies or divisions to our corporate family through acquisition. Those of us who have had the responsibility for developing the company have recognized that the chemical business, like most others, is always changing. Some people view change as a threat. We've always looked at change as an invitation to get bigger and better.

One of our earliest growth opportunities presented itself in the mid-'50s, when North Star Chemical, which manufactured sulfuric acid, lost their sales force—that's to say, when their lone salesman quit. Len Orcut, North Star's general manager, asked us if we wanted to buy their prospect list. We did—and one thing, as it often does, led to another. We ended up selling North Star's new aluminum sulfate product as well.

In 1955, Hawkins Chemical became the sales agent for Vel-Tex Chemical, a Twin Cities-based manufacturer of sodium hypochlorite (bleach). It was, from the get-go, a win-win situation for everyone (though nobody used that expression back then). We had been looking for a way to broaden our product line, and Vel-Tex was eager to expand the market for its bleach products and caustic soda.

We'd known the Vel-Tex people for years. As a matter of fact, the firm's owner, Henry Kjellberg, and my father had been pals before there had been any Hawkins Chemical. Henry was a great guy, the kind of old-style, hands-on busi-

nessman who carried the company's purchase orders in his back pocket. On both a personal and commercial basis, our relationship was an open, trusting, and profitable one. Thus, some years later, when Henry had retirement on his mind, we mutually decided that Hawkins would be a logical party to take over his business.

In 1965, Norm Anderson, Reuben Ostrom, Carl Ahlgren, a Vel-Tex employee named Will Bolin, and I bought Vel-Tex, with each of us holding twenty percent of the company's stock and Henry continuing to run the operation separate from (though in partnership with) Hawkins Chemical. Bolin died in 1971, leaving the remaining four of us with twenty-five percent ownership apiece. Then Henry decided to get out of the business entirely, so we turned the Vel-Tex operation over to Earl Brown, who'd been brought up in the business and worked for Henry for many years. Later in 1971, we made Vel-Tex a wholly owned Hawkins Chemical subsidiary, which it's been ever since. Today it's known as our Terminal No. 1.

To say the relationship between Hawkins and Vel-Tex has been a fruitful one is to put it mildly. Together we were able to accomplish several important milestones in the regional chemical business, including:

- the first bulk tank truck delivery of liquid caustic soda;
- construction of a 4.8-million-gallon storage terminal for caustic soda on the Mississippi River;
- the first repackaging of chlorine in one-hundred-fifty-pound cylinders and one-ton containers;
- the development of a fleet of stainless-steel transport trucks configured with both single and double compartments;
- the establishment of twenty-thousand-gallon facilities for storing sodium silicate, muriatic

acid, ferric chloride, aqua ammonia, hydrofluosilicic acid, and liquid caustic potash.

Among other major benefits, the big terminal on the river put us in the commodities business. Instead of depending on rail cars and truckloads, we were now able to bring in chemicals by the barge, allowing us to compete more effectively against our bigger rivals in the Upper Midwest. Granted, our new river presence gave us more reasons to worry—flooding, to name just one, was a terrible threat in the 1960s. But we quickly learned to adapt, positioning electrical outlets high on the walls of our riverside facilities, for example. As we became more experienced in dealing with high-water situations, we learned to position extra tank cars full of caustic soda around town so even during the worst of the flooding we could service our customers.

A year after we brought Vel-Tex into the Hawkins fold we saw another opportunity in the form of The Lynde Company, a custom-chemical formulator based in the Twin Cities. Specializing in swimming-pool chemicals, Lynde also sells products for the pest-control industry and several other chemical formulations for a wide variety of industrial, commercial, and municipal customers. Four years after that, we added Feed-Rite Controls, Inc., which, with several Midwest locations, has long been a leader in the water-treatment business. Besides water-treatment chemicals, Feed-Rite today offers its customers gas chlorinators, proportioning pumps, fluoridation systems, and chemical feeding technology.

The acquisitions during the early and mid-1970s not only enabled us to expand our range of products and services, they widened our geographic reach well beyond Minnesota—Feed-Rite, for instance, extended us further into North Dakota, Wisconsin, and Iowa. The acquisitions also brought us some valuable people and expertise.

One of those valuable people was Donald Shipp, who

came to us in the Feed-Rite acquisition of 1976. Shipp is the bright fellow who pioneered the driver-salesman concept of selling small-town water-treatment supplies and thus revolutionized that lucrative part of the business. Don had realized that sending a salesman out to small communities to sell a couple of cylinders of this water-treatment chemical and a sack of that chemical was not very cost-effective. So why not send instead a specially trained salesman-technician who would not only sell the product, but show the local water commissioner how to use it? Why not indeed! Municipal water treatment requires regular service and dependable supplies. The systems and supplies require careful handling and special expertise. Presented with Don Shipp's new approach to handling that business, community water officials were immediately enthusiastic and willing to pay a premium for the additional service. At the same time, we not only found a way to sell more product at a good price, we could develop close relationships with our customers, who viewed us as problem-solving partners in their business. Here was another good way to link quality products and innovative service with Hawkins Chemical in the customer's mind.

Like most of our later acquisitions, the addition of Vel-Tex, Lynde, and Feed-Rite was not planned out far in advance. They simply happened to be available, you could say, when we needed them. They also represented logical steps in the friendly relationships we enjoyed with each of those companies. All three of those early and mid-'70s acquisitions had been customers of ours. On a personal level, they were people we'd known for a long time—folks we trusted and who trusted us. Back in those days, regional chemical companies were often family businesses, sometimes ma-and-pa operations, sometimes spanning two or three generations. Because I had started out in a partnership

with my brother and by this time employed two of my own kids, I knew how family businesses worked. Family businesses tended to deal with other family businesses on a very personal basis. Again, it was not a strategy that we plotted and planned. It was just a matter of making the most of an opportunity when it knocked on our door.

Sometimes the opportunity required a little technical ingenuity—and a great deal of persistence. After we had gotten into the repackaging business with chlorine back in the middle '50s, we decided to repackage anhydrous ammonia, primarily for non-agricultural applications. The major sticking point for us was a technical one—we couldn't keep the fiberglass veins in our truck from freezing. No matter what we tried, the veins bearing the ammonia would expand after a few moments in use and then freeze shut.

I remember my wife suggesting I drive the truck off a bridge. Frustrated as I was, I said, "Ma, we're gonna make this thing work!" Eventually we figured out a way to cool the veins, so they would contract and we could pump for another twenty minutes or so. Finally, one of our suppliers said we should try carbon. Willing to try *anything* at that point, we experimented with carbon, and it worked. So we replaced the fiberglass veins in that truck with carbon veins, and were able to pump indefinitely without a freeze-up. Now carbon is the standard for the industry. As far as anhydrous ammonia itself is concerned—well, what some folks thought would never amount to much became a substantial hunk of our business.

Sometimes an opportunity came along that we didn't recognize right away. Such was the case of liquid caustic soda, which has since become one of our most important specialties.

For years customers had been using dry caustic soda for a variety of purposes. In the dairy industry, for example, dry

caustic was used to wash glass bottles and equipment. Dry caustic flakes look safe enough, but if they're not dissolved completely, they can generate so much heat they'll flash up in the operator's hands and face. You have to be careful with liquid caustic, too, but it is much safer to use than dry, because it won't flare. Liquid is also more convenient and economical to use than dry. You can use a gallon of the liquid to do the same job as about six-and-a-half pounds of dry.

We didn't realize all these advantages back in the middle '50s. Despite the fact that our arrangement with Vel-Tex gave us a tremendous bulk storage and delivery capability in the region, we sat on their liquid caustic for more than a year. Finally, we decided to see if we could push the product. Carl Ahlgren got Sanitary Farm Dairies in St. Paul to try it. "By God," the Sanitary people told him, "you've really got something here!" Carl got a similarly enthusiastic response from Land O'Lakes. And while the dairy industry became the major user of the product, we eventually discovered additional business among restaurant suppliers (who would use it to loosen potato peels prior to peeling) and automobile makers (to help remove paint from assembly-line paint hooks). Mining companies and electroplating firms have discovered that liquid caustic is great for cleaning and neutralizing effluent. With all its various uses and applications, liquid caustic has proved many times over just what a remarkable opportunity it was, even if it did take us a while to recognize it!

And, as we learned with our municipal water-treatment business, a great product paired with great service is an unbeatable combination. So it was that we determined that it wasn't enough just to sell our liquid caustic soda, we would do whatever we could to make sure it worked well to meet each customer's specific need. Dean Hahn calls this the "customized approach" to the business. But, once

again, what we began doing with liquid caustic is what we'd been trying to do with the products we'd been selling all along—help the customer solve a problem.

In the case of liquid caustic that meant helping the individual dairy operation, for instance, set up the most practical system for applying it. Liquid caustic freezes at fifty-five degrees, so you can't run a line past an open door during the winter. A small consideration, maybe, but one that often has a lot to do with how well your system works. Henry Kjellberg had a real knack for working out the bugs in those situations, and so, as we built up our experience in the field, did we. The more we helped out, the more we learned, and the better we were able to help other customers.

In other words, one opportunity led straight to another.

Going Public

IN 1972, the same year we acquired The Lynde Company, we decided it was time to see what the public market thought of Hawkins Chemical.

Actually, we had been thinking about a public stock offering for some time before that. The little company that had started from scratch more than thirty years ago was by the early '70s a \$9-million corporation. In the previous ten years we had grown by leaps and bounds, increasing our bulk capacity from barely fifty-thousand gallons to more than a million. During the same period, we'd expanded our warehouse capacity from thirty-five-thousand to fifty-thousand square feet. The addition of Vel-Tex had, as I mentioned earlier, put us in the commodities business with a major presence on the river and significantly broadened both our geographic reach and our product mix. Fresh opportunities seemed to be beckoning from all sides, and we were determined to make the most of what was out there.

The problem was money. Or, more accurately, not enough money for our purposes. Though we were making money, we needed more if we wanted to make the capital investments we believed were necessary to grow. I was tired of going to the bank, tired of owing other people money. Like most folks who have started their own business, I was also concerned about the future from an estate-planning point of view. In 1970, I was fifty-two years old. I was healthy and had no intention of stepping aside, but I had reached the age when it was time to think about the company without me.

Hawkins Chemical was a family business, after all. Both of my sons had grown up in the business, working summers and weekends at our facilities, washing windows, shoveling walks, unloading freight cars, and God knows how many other odd jobs. Now, as young men with growing families of their own, they were regular employees, Howard (known to all as “Butch”) in the bookkeeping department and John in sales. Both of my daughters, Sandra (“Sandy”) and Nancy, had worked part-time at the company as kids. Sandy’s husband, Tom Rempfer, had joined our board of directors. For their sakes, I wanted to make sure the company would be there in the future.

I had been talking to Stanley Efron, of the Minneapolis law firm Efron & Kittler (now Henson & Efron), for the previous few years. Efron and his firm had been very active representing both underwriters and issuers in bringing stocks public during the hot local market days of the ’60s. Stan, I discovered, was a skilled and savvy fellow who had a lot of experience dealing with entrepreneurs like myself. I told him my concerns, that control and liquidity were crucial considerations. He in turn told me that going public was one of the few ways I’d be able to ensure the full value of the business going forward. He said if I framed the stock sale properly, I could maintain control while providing liquidity in the marketplace, making sure estate taxes could be paid without having to sell the company, and providing a way to measure the company’s value if the family did want to sell out.

I should add here that on more than one occasion I had been approached by another company and asked if I was interested in selling the business. I always said no. Why would I want to sell something I’d worked so hard to build? Why would I want to sell something that was so much a part of my family? Why would I want to step away from something that still challenged me and gave me such pleasure?

Sure, I enjoyed my time away from the business. I loved to hunt and fish and play golf and tennis. But I wasn't sure I would love it all so much if that's all I had to do. I've never believed in all work and no play. At the same time, I was convinced that all play and no work would make Curly Hawkins a dull boy, too. The truth is, while I always listened politely to the offers, I never gave serious thought to selling the firm. I was having too much fun.

By the early 1970s, given our need for fresh investment capital, everybody at Hawkins Chemical seemed to agree that taking the company public was the way to go. With Stan Efron's help, we worked with the appropriate government bodies and got everything ready for a February 1972 public offering. Then, at the last minute, our original underwriters dropped out, apparently stung by two of their previous offerings that had gone bad. Two weeks later, a second underwriting firm, Margolis & Company, took the stock to the local over-the-counter market at \$4 a share, and all of us held our breath.

Carl Ahlgren once said that if you'd read our prospectus, you never would have bought our stock. That might have been true. In it, we revealed ourselves to be a growing but still small regional operator when compared with our giant competitors and their national contracts—a mere David against an army of Goliaths. Well, the market obviously had a soft spot for David, because, much to everyone's surprise and delight, Margolis sold the whole half-million-dollar issue the very first day!

I admit, I had a hard time believing it myself. I remember coming back from a trip to Canada the day after the offering and finding my desk littered with telephone messages from friends and acquaintances who said they wanted some Hawkins Chemical stock. When I called the underwriter, he said there weren't any shares left—they'd sold them all the

day before. My first thought was, Oh, no! What am I going to tell all those people who wanted to buy some? To be perfectly honest, I couldn't imagine that there were that many people in the community who'd ever *heard* of Hawkins Chemical, much less would be interested in owning a piece of it! I've had my share of nice surprises in my life, but I can tell you the response to that initial offering was one of the nicest.

Yes, there's a down side to just about everything in life. With that public stock offering, we had given up a good-sized chunk of something we'd worked like heck for three decades to build. We also opened ourselves to the relentless scrutiny of not only the government, but the financial community, press, and general public as well. On the other hand, Hawkins Chemical received \$445,000 from that offering. For the first time in my life I could pay all my bills and still have money in the bank. Besides, the way the deal was structured, our employees and I held the majority of the shares, and I had the means to ensure a fair market value for my family. It was, pure and simple, a good idea. So, when I'm asked if I've ever regretted the decision to go public, I say no. I say it was a decision, however, that I wrestled with awhile. How long? Oh, about five minutes.

I can tell you, too, that we've never felt a great deal of pressure from the market to perform a particular way. We've never felt compelled to put on a dog-and-pony show for the financial community. We believed then and we believe today that if the company serves its customers and takes care of business, the stock will take care of itself. I don't like to put up fancy numbers and goals for the world to see, as far as that goes. I have friends and relatives who hold our stock, and I don't want them coming in and asking, "What the heck is going on here? You promised this. You said you were going to do that." If we take care of business, the price



My father and mother—
John Knute Hawkins and Anna Lindskog Hawkins—
Minneapolis, circa 1910.



My mother (right) with her sister-in-law,
Mabel Lindskog, at Lake Calhoun in Minneapolis,
about 1910.



My aunt, Adele Haakenson,
about the time she sustained me with steak and mushrooms
during my first business trip to New York.



My sister, Barbara—shown here as St. Louis Park High School salutatorian, circa 1947—is the real brains in the family.



L.L. McCulloch, pictured here with granddaughter Karen (Nelson) Erickson, was an executive at Cargill. Despite his doubts about my ability to support a family, he gave his permission to marry his daughter in 1939.



Helen's mother, Maude McCulloch,
with our oldest daughter, Sandra Jean.



South High School's varsity swim team, circa 1935.
Captain Howard J. Hawkins stands
second from the right in the front row.



Yours truly as secretary to the district sales manager
of the Schick Electric Dryshaver Company,
with Ken McLeod, about 1938.



Would you buy a school bus from this man?
Believe it or not, some folks did, proving to the young fellow
that he could sell anything.



Fred ("Fritz") Hoffman was Hawkins Chemical's first bookkeeper. During the War, Fritz, secretary Barbara Day, and a few others kept the company afloat while I was trying to learn how to fly.



Combat veteran Norman P. Anderson joined Hawkins in 1945 and worked his way up to president. His initial impression of the firm: "Geez, there doesn't seem to be a lot going on here."



Another one of the bright young vets who helped build Hawkins Chemical was Carl Ahlgren, who joined us in 1951. Carl was impressed, he said, with the company's desire to grow.



Reuben Ostrom, one of our very first employees, originally worked the day shift while I worked at night. He liked to say that since he never saw me at the plant, he must have more seniority.



Home sweet home.
After doing business at two previous Twin Cities sites,
3100 East Hennepin Avenue, near the Minneapolis-St. Paul line,
became our permanent address in 1948.



Industrial and laboratory chemicals
have been our stock-in-trade from the beginning.
Shown here are a few shelves of our growing inventory
during the early 1950s.



Our warehouse capacity—a good way to measure a company’s ability to meet customer needs—expanded from one-thousand to six-thousand square feet by the time we moved to East Hennepin.



The East Hennepin headquarters of Hawkins Chemical, about 1950. The knotty-pine paneling gave the place a distinct North Woods feel despite its urban location.



Yours truly at the helm of Hawkins Chemical. You may not be able to tell from my expression, but I was having so much fun, I could hardly stand it.



In 1955 we became sales agent for Vel-Tex Chemical. Sixteen years later Vel-Tex became a wholly owned subsidiary, and its riverside facility in St. Paul became our Terminal No. 1.



Hawkins Chemical took a major step forward when it entered the liquid caustic soda business in the late 1950s through its growing and mutually profitable relationship with Vel-Tex.



At Terminal No. 1 (from left): Earl Brown, Will Bolin, Rube Ostrom, and Vel-Tex owner Henry Kjellberg.



Terminal No. 1 on the Mississippi River in St. Paul.



Blessed many times over:
Yours truly at home with Helen and our wonderful kids—
Sandra Jean, Butch, Nancy, and John—
sometime during the late 1950s.



Butch and I after the hunt,
flanked by my old pal Ray Ostrom
and his brother-in-law, Ray Kronin.



Elliot Ness and the Untouchables? Actually, it's only a gang
of Hawkins Chemical characters. From left: Woody Lindskog,
Norm Anderson, Rube Ostrom, Carl Ahlgren, and Curly Hawkins.



And the winner is . . . On this occasion, it's Carl Ahlgren, for landing our biggest order up to that time (middle '50s). Offering congratulations are Rube Ostrom and Norm Anderson.



A more mature management team of Carl, Norm, and yours truly, circa 1970.



Charles Colson and I became close friends after I heard him speak about his plans for a prison ministry in 1975. Through his Prison Fellowship, my faith in Jesus Christ was strengthened.



My political activity on behalf of the Republican Party has given Helen and me a wealth of wonderful friends, including former Minnesota Governor Al Quie and his wife, Gretchen.



When the military didn't teach me to fly, I learned on my own. My beloved Cessna pontoon planes have been a valuable business tool and a great source of excitement, providing both ups...



...and downs—in this instance, following an aborted take-off at Burntside Lake in northern Minnesota. Thankfully, no one got hurt, only wet.



The Hawkins family has always loved water. Here's my daughter Nancy skiing near our cabin on the Lower Whitefish in 1961.



Helen tests the water during one of our many excursions to Canada.



Hawkins Chemical has benefitted from the contributions of hundreds of stupendous employees. Here are three key players (from left): Ina Dahlen, Frenchy Belair, and Jerry Hubert.



Birds of a feather: Our good friend Evelyn Hagen (left), Helen, and I following a pheasant hunt in South Dakota.



One of the joys of our winter getaways to Arizona has been tennis with my Sun City pals, shown here with yours truly sometime during the '80s.



Our spectacular grandchildren—and now *great*-grandchildren—have added much richness to our lives. Here Helen and I enjoy the company of Jenny Rempfer, Sandra's daughter.



With one of my Lower Whitefish buddies, Eric Miller.
For some reason, Eric doesn't look quite as excited
about taking a spin in my Cessna as I do.



My far-flung brothers and sister get together at Lower Whitefish. From left to right are Howard, Kent, Barbara (Johnson), Robert, and Warren.



Sometimes it's just man and dog against the wilderness. In this case, it's yours truly and my black Lab, Roxie, in search of mule deer in South Dakota.



And don't think play isn't a lot of work.
Here the fearless but weary hunter
enjoys 40 winks in the wild.



I've always loved to travel, whether on business, for pleasure, or simply to learn more about our world. In the mid-1980s I had the opportunity to meet these happy schoolkids while visiting Panama.



Maxine Mattison said I was the only person she'd lend her husband to while Stan Mattison and I were out knocking on doors selling Boron 10.



Expanding our horizons: Yours truly with John Stoll (left) and Peter J. Daniels of Adelaide, Australia, International.



Season's greetings from Carl Ahlgren and his wife, June.



In February 1993 I was honored by many friends and family at a surprise 75th birthday party at the Governor's residence in St. Paul. Surrounding me here during the festivities are (from left) Governor Arne Carlson, my son Butch, daughter Sandra, and son John. Talk about a colossal event!



Me and my gal. Still happy after all these years.



Yours truly in the skipper's chair of the *U.S.S. Enterprise* during a recent visit to San Diego. Quite a thrill—but not nearly as much fun as standing at the helm of Hawkins Chemical for the past six decades!

of our stock will reflect our performance, no matter what I might say, so I figure I'm better off not saying anything. I've been happy to keep my mouth shut and let the company's performance speak for me.

(I do have to laugh when I think of the response to our numbers when we first made them public. It must have been a shock to some of our competitors when they saw we made as much money as we did. Almost immediately after our vital statistics were published, our phone started ringing and people would say, "Gosh, we didn't realize you were into that part of the business." Or: "We never guessed your sales were as high as they were!"

(Hawkins Chemical may not have been the best-kept secret in town, but the scope of our activity sure seemed to be an eye-opener to a lot of people.)

In addition to giving us the capital we needed, that offering also had the benefit of providing our employees with a larger stake in the company's success. I don't think there's any question that employees work harder and with more enthusiasm when they have a monetary stake in the outcome of their efforts. Besides, when I speak of Hawkins Chemical being a family operation, I'm talking about more than my own kids. I'm talking about everybody—top to bottom, old-timer and newcomer alike—who works here. I really see this company as one big family. Not always an entirely happy family, but a group of people who share the same attitudes and goals and who care for each other and want what's best for the group. Giving them a chance to buy a piece of the company was not just a good incentive, I believe it was the right thing to do. Our people deserved it.

I'm proud and happy to say that Hawkins Chemical has long been considered one of the very best places in our industry to work. Norm Anderson tells about being approached by salesmen from other companies, saying,

“Norm, if you get an opening, please call. Day or night.” We long ago got used to hearing from those people, from all over the country, who had heard positive things about working for Hawkins Chemical. We’ve never tried to hire people away from our competitors, but we’ve always felt good that so many folks wanted to work here. Our best recruiters, as I’ve already pointed out, are our own employees, with one good employee often leading to another. Carl Ahlgren, for example, brought in Dean Hahn. Then Dean brought in Ken Harasyn who in turn brought in Gregg Elliott who in turn brought in Dan Soderlund—all of whom have been outstanding performers. Part of the attraction has obviously been due to the quality of our existing workforce. We’ve insisted not only on good workers, but on *good people* as well. We’ve asked for and for the most part we’ve gotten a level of responsibility and citizenship from our employees that makes Hawkins Chemical an inspiring place to work. As a result, we’ve had very few problems with our workforce over the years—and very little turnover. For our part in management, we’ve tried to treat our people with the respect and dignity they’ve deserved. Years ago we instituted an open-door policy to encourage open and honest communication. We’ve tried to be as generous as—if not more generous than—anybody in the industry with our employee benefits, which include medical insurance, pension, profit-sharing, bonuses, and, since 1972, a stock purchase plan. In terms of the company’s ownership, I’m glad to say that more than half of our workforce participates in our Employee Stock Purchase Plan.

As we evolved into a publicly held corporation during the early ’70s, our leadership changed, too. While I remained chairman of the board and chief executive officer, Norm Anderson, after more than twenty-five years with the firm, became president, with responsibility for our day-to-

day operations. Another long-time contributor, Carl Ahlgren, became vice president and corporate secretary. Dean Hahn was named sales manager in 1972 and vice president in 1973, and Don Shipp, who came aboard with the Feed-Rite acquisition in 1976, became president of the Feed-Rite division. A great supporting cast—among them, Tom Peterson, manning our city desk, Jerry Hubert, a crack salesman, Gladys Reed, a first-class office manager, and Lucy DeMarais and Ina Dahlen, my wonderful secretaries— included many dedicated people who had come up through the ranks, many who had joined us through acquisition, and many who came from other firms, including competitors.

One of our most remarkable employee stories belongs to Jim Fernholz, who for several years served us dependably as a truck driver. Jim, however, had ambitions to *sell* the product, not just deliver it, and eventually joined our sales staff. How has he done since making the transition? Jim has only become the highest gross-profit man in the company—a distinction he holds to this day!

Some people may have described Hawkins Chemical in those rapid-growth years of the '70s as a loose ship. I prefer to think of us then as merely unstructured. By that I mean that I have always tried to delegate as much of the leadership responsibility as I could, trusting the integrity and good sense of my colleagues (trusting also my own good judgment in hiring those folks in the first place). I have tried to put the best possible people in positions of authority and then let them do what they're good at. I'm not saying I haven't been impatient when events haven't gone the way I expected them to go, but I've tried to keep my hands off the activities I've delegated to others. In the vast majority of cases, the individuals in charge have done a bang-up job. In any organization there will be honest differences of opinion. I've tried to make sure everybody has had a chance to

express his or her opinion, and I believe that in the long run the company has benefitted from the interplay of ideas.

I have long held the conviction that individual performance should be appropriately rewarded. I like the idea of bonuses and profit-sharing, for example. For many years advisors would tell us that the base compensation for our officers was too low. “You fellows aren’t paying yourselves enough,” they’d say. Well, we believed it was better to hold the overhead as low as possible and then share the profits at the end of the year. To me in particular, that seemed to be the best way to take care of those who contributed to the success of the company. I’m happy to say that most of our top people have contributed immeasurably to that success.

And, about that market response to our activities—let me just say that if you had bought a hundred shares of Hawkins Chemical stock at \$4 a share in the initial public offering back in ’72, your \$400 investment would now be worth about \$23,000!

Continuing Growth and Achievement

ONCE WE OFFERED our stock to the public and got out of hock to the banks, Hawkins Chemical was *really* off and running. In the two decades following our initial public stock issue, our sales increased from \$9 million to nearly \$83 million, from a company operating mostly in Minnesota to a company with operations in eight states from Montana to Michigan, and from a firm with a single subsidiary to a family of six divisions and subsidiaries. Using, again, the important yardstick of bulk-storage and warehouse capacity, we jumped from eight-hundred-thousand gallons and forty-nine-thousand square feet to six-million gallons and two-hundred-thousand square feet in the same period.

We accomplished all that, I'm pleased to say, without going back to the banks for help. In fact, when we've shown our balance sheet to bankers, they seem to have a hard time believing what they're seeing. But the truth is, between our original stock offering and our own growing earnings, we've been in the enviable position of being able to self-finance our expansion.

After we bought The Lynde Company in 1972 and Feed-Rite Controls in 1976, our next acquisition, in 1979, were key operating divisions of Mon-Dak Chemical and Supply, Inc. Lynde had put us in the swimming-pool chemical business, and Feed-Rite had gotten us into municipal water treatment. Now Mon-Dak, with facilities in Washburn,

North Dakota, and Billings, Montana, opened the door for the distribution of our products and services farther into the Dakotas, as well as into Montana and Wyoming. The Mon-Dak acquisition was pretty much Norm Anderson's baby and was a good example of our efforts to push out our geographic boundaries as part of our approach to growth.

As I said before, while we were building our existing business with a strong sales and service approach to our markets, we were also constantly on the look-out for new opportunities outside the firm. In 1981, we bought the Gordon Terminal on the Mississippi River in South St. Paul, with an eye to increasing both the capacity and the flexibility of our river terminal operations. (We've since changed the name to Hawkins Terminal No. 2.) Less than a year later, we acquired Dakota Chemical, Inc., whose office and warehouse operations in Aberdeen and Sioux Falls, South Dakota, gave our industrial and municipal water-treatment business additional reach and strength in our western territories. Dakota has since effectively applied the driver-sales-person service concept developed by Don Shipp at Feed-Rite and added another facility at Black Hawk, South Dakota. In 1985, we added Arrowhead Chemical of Superior, Wisconsin, to take our business in the other direction. Arrowhead now distributes our water and waste-treatment chemicals, water-treatment equipment, industrial chemicals, and a complete line of janitorial supplies in northern Minnesota, northern Wisconsin, and the Upper Peninsula of Michigan.

More recently, Hawkins Chemical added Tessman Seed, Inc., and Industrial Chemical and Equipment to the group. Purchased in 1989, Tessman is a St. Paul-based distributor of horticultural and pest-control products, and blends seed for both turf and bird feed. We sold it in 1995. Industrial Chemical and Equipment, which became a division of

Hawkins Chemical in 1993, supplies chemicals, equipment, and technical service to metal-finishing and electronics companies in Minnesota, the Dakotas, Wisconsin, Iowa, Missouri, and Nebraska. It had been in business as an independent company, headquartered in Minneapolis, since 1945.

Most of these additions since we took the company public in 1972 have, like our first acquisition, Vel-Tex, resulted from the close personal relationships that typified so much of the chemical industry in this part of the country. Jay Richards, the founder and long-time owner of Dakota Chemical, for instance, was a good friend of mine for many years. When he turned the business over to his sons, Jim and Jerry, he told them, “You want to sell out to Hawkins, go right ahead.” Another long-time acquaintance—and competitor—was Carl Marion, owner of Arrowhead Chemical. More than once Carl told me, “Howard, if I ever decide to sell this company, it will be to you.” Well, in 1985, that’s exactly what he did. His daughter, Brenda Wiisanen, has since done a wonderful job running that business for us up in Superior.

(In keeping with the personal approach, by the way, we’ve almost always kept the original name on the company even after we’ve added it to Hawkins Chemical. Each of those companies had developed a close personal rapport with its customers, and the last thing we wanted to do was get in the way of that.)

Despite all this activity, some folks close to our business have argued that we should be even more aggressive about acquiring new businesses, that we haven’t been opportunistic enough. Well, I don’t know about that. With the exception of Tessman Seed, it seems to me that the businesses we’ve acquired during the past twenty-plus years have pretty much done for us what we hoped they would do when we bought them. They’ve added important prod-

ucts, services, and personnel to the Hawkins family, allowing us to enter new parts of the country, and, yes, reaffirming the idea that we should stay with businesses we know. (I can tell you that we have *no* plans to buy a hotel in the near future!) As far as I'm concerned, our stance continues to be what it's always been: If an acquisition opportunity looks good, we will consider it.

Under Dean Hahn, who succeeded Norm Anderson as company president in 1983 and was named chairman and CEO in early 1996, our more specific acquisition strategy has been to look for profitable companies whose operations we can make more profitable via our extensive buying power. Given our size, experience, and financial strength, we can buy from our suppliers by the truck, rail car, or barge, then distribute the goods to our divisions and subsidiaries throughout the region. Each of those in turn benefits from our economies of scale—our buying power—while maintaining the close personal contact they've established with customers in their area.

But finding the right companies to buy is easier said than done in this day and age. The chemical industry is shrinking, as many of the little ma-and-pa operations that used to abound throughout the country fail in the face of increasing competition, merge with each other, or sell out to larger firms. The nature of the business is changing, too. Many of the larger chemical companies in the United States are now huge international players, sometimes with headquarters abroad. Customers are demanding more specialized products. Thus there are fewer acquisition opportunities in the form of attractive independent regional companies every year.

Mind you, we're not looking to buy someone for the sake of buying. We're looking for strategic partners that will help us grow the way we've gotten accustomed to growing. We're looking for companies with products and services that com-

plement our own, that operate more or less within our existing region, and that have annual sales of between, say, \$2 million and \$10 million. The biggest problem right now is finding “clean” companies within those specifications—that is, companies without hazardous-waste problems at their facilities. While our size and experience have certainly strengthened our ability to cope with all the complicated and expensive government regulations, insurance requirements, and the like, we’re sure as heck not interested in cleaning up the legal, financial, and ethical messes created by others. Believe me, we could have purchased a lot more companies if we were!

How big can Hawkins Chemical be? With the right acquisitions, there’s probably no limit. I think we could be a major national distributor if we’re able to grow the way we’ve grown during the past twenty years. But, as I say, finding the right people to grow with is getting harder all the time. Our method has been to take our buying power and expertise into a new acquisition, retrain their people if necessary, and then sell product like crazy—on the basis of quality and service, not on price. That method has worked for us several times, but we must have the right partner to start with.

Precisely because it’s getting tougher to find such firms, Hawkins Chemical has been working harder than ever to build from within. In the past few years, for instance, we have doubled the size of our barge terminals. That’s been important since bringing supplies into our region via the river is significantly less expensive than hauling it in by rail. And because winter weather in our part of the country shuts down river traffic for five months out of the year, our expanded capacity gives us an important advantage over competitors who have fewer or smaller or no such facilities of their own.

We’ve increased our riverside storage capacity with new

tanks in 1964, '72, '76, '78, '85, and '93, and we're planning to add two more. Competitors will have a tough time dealing with that because they can't build a facility until they have the business, and it will be difficult for them to get the business because we already have our facilities in place. It's a nice position for us to be in, and it didn't come about by accident.

Even more important is our continuing commitment to innovative products and services as a means of meeting our customers' needs. I've talked about our several "firsts" over the years—including the first bulk tank truck delivery of liquid caustic soda, the first repackaging of refrigeration-grade anhydrous ammonia in cylinders, and the first repackaging of chlorine in one-hundred-fifty-pound cylinders and one-ton containers. In the past few years we've been extending our liquid-product and systems technology into new areas, with very positive results.

Consider, for instance, our new liquid-phosphate system for the cheese industry:

For some time cheese producers have been looking for liquid alternatives to dry forms of sodium ortho phosphates used to smooth the cheese during processing. Dry forms created dust and left empty bags and undissolved chemical to deal with, while liquid versions could be pumped into the process with greater precision and consistency. The problem with existing liquid sodium phosphates was that they would crystalize if they weren't stored between one-hundred-thirty and one-hundred-sixty degrees Fahrenheit. That required costly heated storage and piping systems with back-up generators to protect against power failures that could cause solidification and clogging.

We now have a patent on a new liquid phosphate system that has been received very enthusiastically by several producers in the region. Our system features something we call Cheese-Phos, which provides all the advantages of a liquid

over its dry counterpart, but can be stored at room temperature without all the expensive heating precautions. As with our liquid-caustic systems for the dairy and other industries, Cheese-Phos came about because we listened carefully to our customers and then worked closely with them to solve a particular process problem. And, as with liquid caustic, we expect this breakthrough to bring a significant result to our bottom line.

It's part of the industry-wide trend—and our stated intention—to focus more and more on value-added, high-margin products that will keep us a step or two ahead of the competition. Developing liquid forms of specialty chemicals that could once be bought only dry—and then engineering the bulk system and application points for a customer's specific needs—is a great way, we believe, to keep us moving forward.

The Cheese-Phos product—with thanks to John Sevenich, another one of our crack salesmen, who gets most of the credit for its development—highlights another important aspect of the changes that have taken place, slowly but surely, at Hawkins Chemical over the past twenty years. While we're still a sales-driven organization, we have acquired during these past several years a technical capacity that I never dreamed of in the old days. Remember, Dean Hahn, when he joined the company back in 1964, was our first honest-to-God school-trained chemist—and Dean spent most of his time and energies out on the road, not back in the corporate laboratory, which we didn't have at that time. Now we not only have our own in-house lab, we have a staff of bright, creative chemists and engineers.

Out on the road, meanwhile, our sales and technical people are equipped with considerably more than a two-by-four and a bouquet of fresh flowers when they call on accounts. They, too, are experts, outstanding in their field!

Other Vital Concerns

BUILDING A SUCCESSFUL COMPANY from the ground up is a tough, nerve-wracking, time-consuming activity. Especially in the early days, when an entrepreneur is operating pretty much on his own, that company demands virtually all of his attention and energy. There's not much time for family or hobbies or other outside interests.

If the fellow works hard and has some luck, however, the situation gradually changes. Slowly but surely, he finds smart and dedicated people to help him grow the business, and when he finally starts to generate a little profit, he finds that if money can't guarantee happiness, it *can* buy him some time to enjoy the fruits of his labors. He may also learn that a little rest and relaxation every once in a while makes him a more complete human being—maybe even a better manager.

I have learned over the years to make sure there's room in my life for several concerns that I believe are vital not only to my own well-being, but to the well-being of the community and Hawkins Chemical, too.

I can't tell you exactly when my interest in politics began, but at some point I realized that as both a citizen and a businessman I had to get involved in the process. I had to get involved in order to look out for the best interests of my country, my company, my company's shareholders, and my family. If I didn't, who would?

As far as Hawkins Chemical is concerned, I believe it's been my responsibility as chairman and chief executive to

protect the interests of both our shareholders and employees. To do that I've taken the initiative at federal, state, and local levels of government in an attempt to help guide political decisions and support sound fiscal and regulatory policy. I've worked hard to make sure that our elected representatives know Hawkins Chemical and its industry. I've been an active and vocal member of the National Association of Chemical Distributors, our industry trade group, in its political activity. I'm pleased to say that my many visits, letters, and calls to officials here and in Washington have made mine a familiar voice on behalf of the chemical industry. I trust it's a respected voice, as well.

By this time, my political philosophy is familiar to everyone who knows me. I believe in the free-enterprise system, in giving legitimate business the freedom to make the most of market opportunities, earn a fair profit, and create good jobs in its community. I believe, during the past several years, we have been grossly over-regulated and over-taxed, and as a result corporations, employees, and their communities have suffered.

Because those beliefs have been most consistently upheld by the Republican Party, I've worked especially hard for GOP candidates at the various levels. I haven't beaten around the bush, either. If a Republican candidate has asked me for money, I've generally given it to him or her. If he or she has asked me to come out and ring doorbells, I've put on my walking shoes, hit the bricks, and rung doorbells. My political activity has been both expensive and time-consuming, but I have no doubt in my mind that it's been worth it, that it's made a difference. I'm not a political animal by nature. Believe me when I tell you I'd much rather be out selling our products than ringing doorbells for an office-seeker. But, as I say, if I don't do it, who will?

Besides, I've met some of the finest people I know

through politics. Over the past three decades I've been privileged to meet Presidents Nixon, Ford, Reagan, and Bush. I'm happy to count among my friends Minnesota Governor Arne Carlson, Senator Rod Grams, Congressman Jim Ramstad, former Senator Dave Durenberger, and former Lieutenant Governor Joanell Dyrstad. (I've met a few Democrats, too, and I pray for them.)

Several of those fine folks were involved, in fact, in a very special moment for me a couple of years ago. I was asked to come to the Governor's residence in St. Paul for a meeting of Arne Carlson's finance committee. When I arrived, I was greeted at the door by the Governor himself. Suddenly, when I stepped inside, I was surrounded by more than a hundred-and-forty friends, colleagues, and relatives, all singing and wishing me a happy seventy-fifth birthday. I couldn't believe my eyes and ears. I was shocked. Speechless. Grateful. Then Governor Carlson honored me with an official certificate of commendation, Lieutenant Governor Dyrstad presented me with an award for outstanding achievement, and my old friend Wheelock Whitney, a long-time state Republican champion, touched my heart with a moving speech. That party made all those doorbells worthwhile. It was definitely one of the highlights of my long and rich life!

One of my most unusual relationships had less to do with politics than with the persistence of yet another old friend. Back in 1975, when onetime political "hatchetman" Charles Colson was set free after spending six months behind bars for illegal activities during the Nixon administration, my pal Dick Nelson called and said I should go listen to the guy speak at a dinner at the St. Paul Hotel.

"Why should I?" I asked abruptly.

Dick said, "Because I think you'll enjoy hearing him."

I said, "Dick, I'm busy."

He said, "Curly, I *really* think you ought to go hear him."

“Dick,” I said, “I don’t have time for an ex-con.”

But Dick said, “Please go.” So I went. Not only did I go, I ended up sitting next to the “ex-con” at the head table.

Though I had met President Nixon on several occasions, I didn’t know Chuck Colson except by reputation. Well, it turned out that he was quite a guy. He was a terrific orator and just as impressive in one-on-one conversation. He had just written a book, *Born Again*, and talked movingly about his experience in prison, his decision to turn his life over to Jesus Christ, and his determination to share the Lord’s word through a new prison ministry he wanted to start.

I was really moved by the guy’s testimony that night, I can tell you. As a matter of fact, the Lord told me to give him some money for his ministry, so I wrote him a check for a thousand bucks. I also told him he’d be welcome at my house when he returned to the Twin Cities for another speech a few months later. I said, “My wife will be in Arizona and my kids are grown up, and I’ve got four bedrooms and two sandboxes out back if you want a place to camp.” That night I told my wife what I’d done. She said, “You don’t even know the man, yet you give him a thousand bucks. You’ve got to be out of your tree.” I said, “Ma, I believe in this man, and he needs our help.”

Weeks passed. Then one day my secretary told me a Mr. Colson had called and said he was taking me up on my offer. I said, “What offer?” My secretary said, “The offer to let him stay at your house.”

Well, Colson came all right, and the two of us spent a long and very enjoyable evening talking. The next morning he was the guest of honor at a breakfast I hosted for a dozen friends, including then-Governor Al Quie. It turned out we were the first major supporters of Colson’s Prison Fellowship, which he was just then getting under way.

As that Fellowship developed, my faith in the goodness

and power of Jesus Christ came alive as never before, expanded, and grew stronger. I decided I should not only put my money where my mouth is, I should give my time as well. I started going up to the federal prison in Sandstone, about eighty miles north of the Twin Cities, every Thursday night to read the Scriptures and pray with the inmates. It started with just a couple of guys. Eventually, there would be between ten and fifteen inmates taking part most Thursday nights. The program's purpose, of course, was to share God's word with the prisoners, to let them know that other Christians cared for them regardless of their troubles, and to help them lead upright and productive lives when they were released.

I felt a little uncomfortable going into that prison at first, especially when those last two doors slammed shut. Soon, though, I felt at home and never allowed anything to get in the way of those Thursday-night visits. I also discovered that the prisoners were mighty sharp. They could tell right away if you were sincere or not. Some of them were sincere, some of them were not. One thing for sure: There was not always a great deal of difference between those of us who could walk out of there after our prayer meeting and those who couldn't. Some of those guys were pretty tough customers, but others were in there for not-so-serious offenses. In some cases, it seemed, they'd simply had the bad luck to go up in front of a judge who was having a bad day.

At any rate, it has been a very educational, satisfying, and humbling experience for me. I treasure my friendship with Chuck Colson and his associates, and while I'm no longer up to making those weekly trips to Sandstone, I'm still an enthusiastic supporter of the Prison Fellowship. (I'm also happy to say that Fritz Rodde, a retired school teacher, has taken my place at Sandstone—and is doing a better job than I ever did.) That program, with a \$22-mil-

lion annual budget, is now helping prisoners in fifty countries around the world.

Some of the excitement in my life I've neither sought nor asked for. It happened anyway.

Though I qualified for flight training in the service, I didn't have the chance to fly until after the War, when I took instruction on the GI Bill. Since then, I've owned two Cessna 206 pontoon planes, which I used to fly customers, suppliers, employees, and friends to Canada to fish. Once, during the late 1960s, I stopped at Burntside Lake near Ely with a plane full of passengers. After the passengers climbed out to stretch their legs, I took my cousins, Elaine Mellette and Marshall ("Big Stoop") Lindskog, who had a cabin on the lake, out for a quick spin. Well, it was a very windy day, and, despite now having only two passengers, I was able to get the plane only to about treetop level—while still out over the lake—when we hit a downdraft. I pulled hard on the throttle, but we hit the water with a smack, split one of the pontoons, and started taking on water. A few minutes later we were being towed to shore by three small boats when all of a sudden the plane went down in about thirty feet of water. My cousins and I escaped unharmed, and I'd heard that any landing you can walk (or paddle) away from is a good landing, but nonetheless I considered that a close call. To this day I shudder to think what might have happened if the plane had been full, or if I hadn't been able to come down on the water before reaching the trees.

Another time, flying back to the Twin Cities from Ontario, I had to jettison thirty gallons of gasoline in order to take off after a stop in Virginia. As a result, I had to make a forced landing near Forest Lake, go get another fifteen gallons of gas, and refuel before continuing on home. I remember thanking the Lord for putting some water underneath me when my gas tanks read empty.

Still another close call occurred on a sales trip in northern Minnesota. This time I was in my car, alone, late at night, traveling between Virginia and International Falls. I was awfully tired, so I pulled off the road to get a little shut-eye, and when I tried to get back on the pavement I somehow got hung up on the railroad tracks that ran beside it. And wouldn't you know—a train was chugging toward me in the distance. For want of anything better to do, I grabbed a flashlight from my glove compartment and started running down the tracks, toward the oncoming train, making big circles in the dark with the light. Would the engineer see me in time or not, I wondered. Thank God, he did. He put on the brakes and stopped the train about fifteen feet from my car. Not only that, he uncoupled his locomotive from the hundred-odd cars he was pulling, put a hook on my bumper, and, with barely a touch of the engine's throttle, jerked my car off the tracks. Needless to say, I was wide awake as I resumed my drive to International Falls!

Surely, I've been blessed in many ways. I've been granted the opportunity, wisdom, and strength to persevere as the founder and chief executive of my own company. I've been given the help and friendship of so many wonderful, talented people that I can't hope to remember them all, even sitting here with a pencil and paper. I've been enriched in these later years with the opportunities and resources that allow me to give back to the community some of the goodness I've received. I've also been delivered from physical danger.

The greatest blessing of all, though, has been my family, and it is my time with them that I cherish most. My four children—Sandra, Butch, Nancy, and John—are grown up, with important careers and beautiful families of their own. They in turn have given Helen and me eleven grandchildren and five great-grandchildren. All of us now have our own homes or cabins up on our beloved Lower Whitefish Lake, where

we spend as much precious time as our schedules allow.

Helen and I have for several years owned a condominium in Phoenix, and spend part of the winter in the warm Arizona sun. She and I have traveled a great deal, too—to distant places like Australia and South Africa, as well as to slices of paradise a little closer to home, like Alaska and Mexico.

My own personal passions include tennis, golf, hunting, and fishing. I've had the chance to fish and hunt for big game in Alaska. Among my many blessings are a wife, sons and daughters, grandkids, colleagues, and friends who have either shared these passions or kindly indulged me and come along for the ride.

I am, as this is written, seventy-eight years old. On top of everything else, God has given me good health and a desire to stay busy. I still maintain my long-time regimen of forty-two sit-ups before breakfast. Why *forty-two*, which, as some wise guy pointed out, is not exactly a nice, round number? Because it just seems that when I've done forty-two, I've done enough.

Besides, considering everything I've still got to do every day, I'm not sure I have time for more.

Hawkins Chemical Today—and Tomorrow

HOW DO YOU MEASURE the success of a business? By its balance sheet? By its bottom line? By the size of its product line and workforce? By the respect it is given in its industry and community? By the fact that, somehow, against stiff competition and in a difficult environment, it continues to prosper and grow more than a half-century after a very unpromising start?

By any of those measures I think most folks would have to call Hawkins Chemical a success.

At the end of 1995—our fifty-seventh year in business—we could report a net income of \$5.3 million on sales of more than \$83 million, both numbers the largest in our history. We were a formulator, blender, distributor, and sales agent for more than a thousand industrial chemicals and eight-hundred reagent-grade laboratory chemicals, with more than a thousand customers in eight states. Our growing fleet of trucks, trailers, tankers, and tractors served our customers out of a one-hundred-thousand-square-foot warehouse at its many-times-enlarged home base in Minneapolis. At our two river terminals, we received, stored, and shipped liquid caustic soda, phosphoric acid, aqua ammonia, and many other chemicals in bulk. There, we also manufactured sodium hypochlorite and potassium carbonate, repackaged liquid chlorine, and custom-blended additional chemicals to specific customer demands. We

employed about one-hundred-twenty-five people at our various locations around the region.

In 1994 we were ranked, by *CPI Purchasing* magazine, twenty-third among the hundred largest chemical distributors in the nation. I'm also pleased to report that over the years Hawkins Chemical has received several awards from suppliers and customers.

I'm not saying we haven't made mistakes, but in our dealings with customers, suppliers, and competitors, I can tell you we've always tried to do the right thing—to serve and compete ethically. I don't know how you'd measure that, except in terms of the respect you're given in your industry. I believe we get that respect from our friends and “foes” alike, and that makes me very proud. We've also tried our best to be good stewards of the products we deal in, continually upgrading our facilities so they meet or exceed environmental and safety standards. We've always believed in rigorous training for our workforce, with an emphasis on the health and safety of our customers, communities, and, of course, our employees themselves.

In early 1995 a fire broke out in one of our warehouses in Minneapolis, requiring the evacuation of some residents in the area as a precautionary measure. Thankfully, there were no serious injuries, no release of dangerous amounts of chemicals into the air, and no measurable harm to the local environment. Part of the credit goes to the quick and efficient action of the Minneapolis Fire Department, part to the \$200,000 retaining wall we'd built around the warehouse parking lot the previous fall, in the event of just such an accident. The retaining wall collected the contaminated water used to fight the fire, thereby keeping it out of the streets and storm sewers that feed nearby lakes and river. Safety came first and business second, but I'm happy to say that despite the fire and subsequent clean-up, we were also able to serve

our customers without missing a beat.

The fact that we're *still here* after all this time is no small accomplishment in itself, as far as I'm concerned. When I think back over everything that's transpired since I joined my brother Kent in that partnership way back in 1938, I just have to shake my head and say, *God has been stupendously good to us*. If He hadn't, who's to say we might not have choked on our own debt, sunk under the weight of an unwise acquisition, or otherwise perished in a sea of so many bigger, stronger competitors? Not me. I believe, in fact, that we've been divinely guided every step of the way. Not that we were any more deserving than anyone else. Everybody has access to that guidance, but not everybody accepts it. You have to listen, believe, and accept. We did. I do.

I've also, I have to say, operated a lot on instinct, on feel, on sensing when something was right or enough. Some of my colleagues might say I've sometimes operated too much on hunch, that there have been instances when I was more aggressive than I should have been. They're undoubtedly right, but that too is life in the putty-knife factory. When, for instance, you first enter a new market, you don't always have a lot of numbers and other "indicators" to guide you. When you sense the time is right, you start to push. Books don't teach you that, and previous experience can't always be your guide. I believe it's just something you feel in your gut. That aside, though, I also believe that most people would have made the same decisions I made if they'd been in my position. To me, as I've said many times already, it was usually a simple matter of responding to a golden opportunity. I can't think of a heck of a lot I'd do a different way.

I do know it would be *extremely* difficult to start Hawkins Chemical from scratch today. Because of the tremendous investment required in facilities and inventory, and because of the almost overwhelming weight of government regula-

tions lying on top of the industry, it is hard enough to maintain your momentum as a well-established company. Tough as conditions were for a little upstart operation back in the days when I was out looking for smokestacks, they'd be immeasurably tougher today, and I for one am not sure I'd be up to the challenge. Thankfully, I don't have to be.

Heck, we don't take anything for granted, even now. We've kept this company as lean and mean as possible. Though we've expanded our home office many times, nobody will ever mistake our headquarters for the Trump Tower. We've been careful not to add more chiefs than the number of braves allowed. We don't have several tiers of management and the red tape that goes with it. Under Dean Hahn, just as under Norm Anderson and me, our management has remained on the ground, in close contact with our employees, suppliers, and customers. (Until the past few years, our managers handled all the hiring and firing themselves.) We have more technical people—chemists, engineers, and regulatory experts—on staff than we used to, but they've become essential players in the increasingly complex chemical industry of the 1990s. At the same time, our sales people continue to be what they've always been at Hawkins Chemical—the vital foot soldiers who knock on the doors and bring home the business. Many of them have been with us for ten, twenty, even twenty-five years. To our customers from one end of the region to the other, those men and women *are* Hawkins Chemical. It is the service and solutions they provide that our customers count on and that have made us what we are today.

I believe, too, we're as focused on bottom-line results as ever. We don't work on dollar sales—we work on gross profit. That's why we're developing more specialty and value-added products that will give us higher margins. That's also why we're still a regional operation—we believe we have to

stay within a reasonable distance of our home base because of the costs of transporting our liquid products. That region is getting bigger, however, as we add to and develop our outlying distribution and service centers.

If we're not quite the family company we were ten or twenty years ago, it's not for lack of effort. The growing size of our organization has called for a bit more formal structure and procedures. What with facilities spread from Montana to Upper Michigan, we don't see everybody everyday anymore, and we don't necessarily know everybody on sight or by their first names. Our great strength, though, is still our people, and Dean and I and the rest of our senior staff are working hard to prepare our younger personnel to run the Hawkins Chemical of tomorrow. We've got some very smart, energetic, and dedicated young people champing at the bit. Many of them still need to learn the tricky business of handling money at the corporate level, but, by golly, they have a lot of energy and ideas and technical know-how! One of the pleasures of growing old is watching the fresh blood taking up the oars behind you.

Personally I'm very pleased with the development of my two sons, who are both important members of our management team and board of directors. Butch, our treasurer, is a wonderful administrator with a great eye for numbers and a tight grip on the company purse. John, a vice president and corporate secretary, is a natural salesman who, as the old saw goes, could sell ice boxes to the Eskimos. Both have become, in addition, valued and trusted advisors to top management in recent years. I've also been blessed to have the advice and counsel of a great board of directors, whose members currently include—besides me and my sons—Dean Hahn, Don Shipp (our executive vice president), Norm Anderson and Carl Ahlgren (both of whom have retired from management), C. Charles Jackson Jr., a promi-

nent Twin Cities business consultant, John S. McKeon, president of Golden Valley Microwave Foods, Inc., based in Edina, Minnesota, Albert Hanser, chairman of Hanrow Financial Group, Ltd., in Minneapolis, and Duane Jergenson, vice president of the Taylor Corporation in St. Louis Park. The board's wise oversight will make sure Hawkins Chemical's future will be at least as healthy as its recent past.

Who will be the leaders of tomorrow's company? Good question, the answer to which will not be found in this book. Truth be told, I can't say because I don't know. I *can* tell you what I think makes a good corporate leader. Somebody who believes in doing what he or she believes is right. Somebody who is willing to take a little risk, yet is capable of holding the purse strings tight enough to avoid disaster. Somebody who can listen to the customer and recognize a good opportunity when it presents itself. It will be interesting to see who best fits that job description in the years ahead.

As for yours truly—well, everybody wants to go to heaven, but nobody wants to die. While I've long ago turned over day-to-day responsibilities to the president, I'm still an active player on East Hennepin. I still love this place and the people here and all the great men and women I've been fortunate enough to do business with in our industry. Besides, the business itself is always evolving, presenting new challenges—it never gets old. I frankly can't picture myself just handing over the keys and saying, "I'm outta here!" What would I do? Even a fun-loving fellow like me can hunt and fish and play tennis only so long before it starts to get stale.

Anyway, I feel colossal. *Stupendous*. As a matter of fact, if I felt any better, I couldn't stand it. But I don't plan on being carried out of here. The time is coming when it will feel right to stand up, put on my hat, and step out the door for good. I'll trust my instincts to tell me when. ■

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