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Klomparens, Al Oral History Interview: Holland Furnace Company

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AL KLAMPARENS

INTERVIEW: 10 JULY 1986

Joined HFC in June 1937 after graduating from Hope College. Was Junior then Senior Salesman in Hamilton, OH; Branch Manager in Kalamazoo; Special Sales Representative for Holland Branch; Branch Manager in Spokane, WA; Division Manager in Columbus, OH (1950) — 41 branches under in OH and PA; Sales Manager at Home Office in Holland (1952); left in 1963 or 1964.

ON SELLING IN THE BRANCH SYSTEM:

Junior Salesmen sold cleaning orders and repairs by going door to door.

"You went to anybody who had furnaces. If they didn't have a furnace, you were looking to sell them a furnace. The cleaning order was an introduction into that house. In the process of cleaning a furnace, it was a prospect of selling a furnace. And sometimes in cleaning a furnace, you found the furnace was bad. So, you would sell them a new one."

"When the man on the cleaning truck returned, he had to report. He maybe cleaned seven, eight, ten furnaces a day. He had to report to the Branch Manager the condition of every furnace he cleaned. If that furnace was old or in need of repair, that name would be given to a salesman. Then you had inquiries. People would call, building new homes. So, that lead would be given a salesman."

"The Home Office set the territory boundaries for the branches. Every branch had a number of salesmen depending on the size of the city. And that possible prospect was given to a salesman and he made an appointment with those people. And they had very good demonstrating equipment in those days. (There were models of the furnaces.) You would take a plan of the house. The company developed a house plan for every furnace that was sold. And that plan was sent into the Home Office by the Branch Manager every week. And when I was there I was in charge of 450 branches throughout the United States."

"Every floor plan had to carry a complete heat loss of every
house. The engineering department checked it, okayed it, then supposedly, the furnace was to go into the house according to that plan -- that size furnace. Then (back at the Home Office) it was put in the file."

When he was Sales Manager, "All the sales figures came into me every week. All the cleaning orders, repair orders, new furnace sales. I knew week to week what was being sold, how many hundreds of furnaces, stokers, oil-burners, controls in probably 450 branches."

ON TRAINING SALES MEN:

"They had division meetings four times a year. You'd (as division manager) call all your salespeople in and have a meeting. Branch Managers were called in more often. The division manager went into the branch and gave us people training. But it was up to the division manager to give us training. The Home Office didn't have too much a part of it."

"You had to sell for four years before you were a branch manager. Then if you had a good sales record you were promoted to a branch manager."

"A lot of (sales) men started as servicemen (for furnaces) where they actually went out and did the work. And then they found out they liked selling. . . ."

ON SALES MOTIVATION:

GOAT CONCLAVES -- Salesmen, branch managers, division managers and some Home Office personnel went to Goat Conclaves. Requirements? "There were certain goals that the company sent, such as 100 furnaces (per salesman). It was a goal. Or your quota. Your company quota as a branch dealer needed to be sold to qualify." The sales manager set the quotas.

AWARDS -- "The company also gave out individual awards. It was called The Goat Club. The company gave out little pins called Goat Awards which generally meant they (salesmen) were selling their quota." The Goat was known as an "Oscar." "That little thing was a great motivator. 14 Karat Gold, many have a diamond in it. Many men had cast iron replicas made on their driveways."

"There was great motivation. Everybody lived by quotas. You got it by the day. You got it by the week. You got it by the month. And everybody got their edition of the First Pot, and that was a great motivator. To get your name and picture in that was a great motivator."

"The company tried to stay with some of its equipment too
long. That put pressure on the sales personnel to sell some things that maybe at that time the competition might possibly have something better. On the other hand, the furnace company had equipment that was equal to or better than anything anybody made."

ON THE BRANCH SYSTEM (REGULATING IT, PROBLEMS, EVALUATING IT):

"Fantastic. Just the finest idea of merchandising for that period of time. That's what made the company. It was entirely supervised by the Home Office. But you couldn't do it today. It's far too costly. The economics would prohibit it. The insurance alone would prohibit it. The mail in those days... Imagine the amount of mail that went out of this town! And the advertising... There would be no way you could handle that today."

"If I wanted something done as sales manager, I sent out a bulletin. If it was an engineering problem, Henry Weyenberg would send a bulletin. I would meet with my division managers continually. If there was something very important, the next day I'd be in Philadelphia or wherever. The division manager would call his branch managers in and have meetings. Between the division managers coming into the Home Office, my going out to Branch Offices to have meetings, the Fire Pot, and bulletins, things were pretty well regulated."

"If there was an important problem, we had engineers who would go out into the field. And we had salesmen who had the authority to settle a problem."

"And many of the branch managers came into the Home Office just as a business trip to keep themselves informed and acquainted with Holland Furnace Home Office personnel. Three, four nights a week I was entertaining people from San Francisco to Los Angeles to Atlanta, Georgia."

The Problems and Ted Cheff: "My version is there was just a very, very small percentage of men in our organization who took advantage of a very, very good system. The percentage of that was very small, but you don't have to have many people like that in an organization like that to do a lot of damage. And they caused a lot of publicity -- Better Business Bureaus got involved."

"Certain people were put in charge to handle these sort of things, but, number one, they didn't handle it, and, number two, they made false reports to people who took it to Mr. Cheff even. (PT Cheff thought it was being handled.)"

"He (PT Cheff) had too much tolerance for the type of guy who was getting the company in trouble. I don't think he realized it. If he did, he would have taken harsher steps to
stop it. But by that time, things had gotten too far along and Mr. Cheff didn’t have too much interest in the company anymore. From there it was all downhill.

"Then, again, Mr. Cheff wasn’t to blame as much as people said he was. He had some people around him telling him things were much better than they were. When he found out how bad they really were, it was too late."

What could have turned NEC around? "A complete turnover of the Home Office personnel from the president on down, along with adequate money. Take the broom, and I’ll tell you why. The only thing that would have saved that company would have been to go into a dealership organization. The company is going to divorce themselves completely (from branches). They are manufacturers only. Mr. Cheff should’ve gone out and hired the best dealer sales manager in the world. . . . It had run its course. It was just too expensive and operation. There was no way they could have kept up on it. It would make no difference how much money they had."

ON PT CHEFF AND PRODUCT INNOVATION:

"He was very hard to move into any progress. What he had been doing had been working for a lot of years and had been making money. But to accuse him of not being a good businessman, I wouldn’t say that."

"Yes, I would say that’s true (lack of product innovation in the 50s forced greater reliance on sales). The product development just wasn’t spent the way it should have been. There wasn’t a product development department the way there should have been."

ON 1951 NEAR OUSTER OF TED CHEFF:

"Mr. Cheff was hurt (in a horsing accident) and while he was in the hospital at Battle Creek, these people (Henry Weyenbergh, Bill Boer, Larry Kolb) met with the Board. These people were going to get rid of Ted." Henry Weyenbergh and Bill Boer "fired."

MORE ON GOAT CONCLAVES:

Not necessarily at Tulip Time. But, "every Tulip Time we had Furnace guys from across the United States" in Holland. "There were occasions other than Goat Conclaves when guys were brought in from the field."

Held in Florida once (in March).
Once they sailed to Mackinac Island then to Chicago on the South American.

MISCELLANEOUS:

-- HFC never manufactured air conditioners.

-- Five percent of the HFC men were questionable and did things wrong.

-- Coal furnaces were phased out in the late 40s. HFC then relied on gas and oil furnaces.

-- "The customer got a better job. You got a better furnace. You got better service. The furnace lasted longer."