7-14-1994

Hering, Gail Oral History Interview: Carl Frost Center Oral History Project

Ryan Harvey

Published in: *H94-0234.5 Hope College Living Heritage Oral History Project.*, July 14, 1994.

Oral History Interview

Gail Hering

Conducted and Transcribed by:

Ryan Harvey

Edited by:

Gail Hering

July 14, 1994
10:00 a.m.

RH- First of all, could you state your name, date of birth, and the company you presently work for?

GH- My name is Gail Hering, I was born [date removed], 1941. I work for Atmosphere Processing, Inc.

RH- How long have you lived in the Holland area?

GH- I've lived here since spring of 1976, exactly March 9, 1976.

RH- Why did you move to Holland?

GH- We came to Holland to start Atmosphere Processing.

RH- Where did you live before?

GH- I was born in Detroit, Michigan. Actually, Highland Park is a small city inside the City of Detroit. There's a hospital there. So, technically I was born in Highland Park. I lived in Detroit until I was about ten years old. Then my parents who owned property in the unincorporated little village of Livonia decided to move to the country. We moved to Livonia in October, 1951, and six months later it became a city. Of course, today it's a major metropolitan area of Detroit. I lived in the Livonia/Plymouth area until 1976 when we moved to Holland.

RH- Could you describe your educational background?

GH- I'm a graduate of Livonia-Bently High School. After graduating from high school, I went to Eastern Michigan University where I majored in secondary education with an academic triple major in English literature, English language, and theater, and a minor in ancient history. My intent was to teach high school which is what I did for twelve years after that. I went to graduate school for the next thirteen years, starting out with a major in classical literature just because it was an area that I liked. It was so close to what I had studied as an undergraduate that Eastern would offer me a very quick and easy master's degree. However, it became apparent, after my first year of teaching, that it didn't have a lot of application to what I was going to do professionally. So, I changed my major to a new program called learning disabilities which kind of replaced remedial reading. I spent about a third of the program trying to learn to do something that I was totally unsuited to do. So, I quit that program, and that was two strikes. I figured three strikes and you're out: I'd better do what I wanted. I started a master's in improvisational theater which I dearly loved, and which I almost finished. I probably would have graduated in August of '76. But the timing was such that we came to Holland, and I didn't finish that either. Since then I've taken a lot of seminars and classes that related to business, but nomore education or theater classes.

RH- Could you tell me about your first job experiences, before or after college?

GH- There were the usual baby sitting, house cleaning, waitressing jobs, working in the library shelving books, until I graduated from college. Then I accepted a junior high school teaching position in Livonia, and was assigned to Frost Junior High School, which was a brand new school. In fact, it wasn't even finished at the time that the school year started. Our students were split among three existing buildings, and kind of had an afternoon shift, if you will. Those were years when the suburban populations were mushrooming, and they couldn't build schools fast enough. Kind of what we're experiencing now in the Holland-Zeeland area. I taught at Frost Junior High School for three years. My first year I taught two core classes of language arts/social studies, and a speech class that I was allowed to create. That fortunately was well accepted by the administration, and the student body. So, the second semester I taught twice as many speech classes. Plus, I introduced a kind of survey course in communication arts. That had to do with theater and public speaking, forensics and that kind of stuff. The next year, I expanded that program, and taught eighth and ninth grade speech and dramatic arts kinds of programs. The third year, they appointed department heads for the first year. I was appointed the head of the language arts/social studies

department at the junior high school. My assignment was comprised of the administration of that area plus teaching the speech and the dramatic arts courses that I had developed, along with the after school programs that normally go with speach and drama. The following year, I had our son, David. I didn't return to the full-time regular classroom. Instead, I began teaching adult education, English as a second language, in the Livonia district. I did that along with substitute teaching for two years, and then had a daughter Elaine. A year later, I returned to full-time teaching, and was placed at a senior high school, Churchhill High School, where I taught various English classes in the English department for the next three years. Then we moved to Holland.

RH- Could you describe how you got into your present business?

GH- The real founder of this company is my husband, Alan. He is the one who had the dream, and the determination to want his own business. I truly believe that Alan Hering is the real entrepreneur here. I met Alan when we were in our late teens, in our early undergraduate years. The third date I had with Alan, he said to me, or at least I was present when he said it, "someday I'm going to own my own business". Ryan, there is no way I can replicate the determination, the total body and soul commitment to that statement, but I knew he meant it. I knew he was going to do it. Alan didn't know what he wanted to do

professionally. I did. It's real easy when you know. You have purpose and direction. You move forward along a singular path. Despite the normal challenges of life, you still have a sense of where you're going. Not to have that, I think, is a terrible frustration. For many years, Alan struggled with what would he do. During the struggle years, he had a wife and then children, and so on. So, he wound up going to work at Ford Motor Company, where he elected not to go into their management training program because it looked too much like entrapment at a desk. Instead, he chose to go into their skilled trades program. He took a four year apprenticeship in something called "pirometry." Today it's called "industrial instrumentation." It has to do with the management of heat through the use of instruments. It has changed dramatically over the years. He spent eleven years at Ford. Maybe a little more than that. I guess it was close to thirteen years before he left. During that time he ran a huge heat treat department from the maintenance standpoint. He was involved not only in the heat treatment of cast iron parts, but also cast aluminum, zinc die-casting and all those things went into the heat treat department. There were over a hundred furnaces at the Rosenville plant near Ypsilanti. What struck Alan the most was the waste. In the 50's and the early 60's, companies had a lot of wasteful practices. Alan is very much a visionary. He could see that we could not continue those kinds of practices and still survive on this planet. He felt that there was an economic change coming which was not going to allow

it, regardless of the greater issues, perhaps of ecology, but also just immediate practicality. You can't continue this behavior. He began to act on his issue of, "if I do something else, what do I do?" Together we began to do research on how you go into your own business. It wasn't real dramatic. You go to the library, and you check out books, and you read. That's essentially what we did. We studied the demographics of smoke stack industry, of primary metals, of the need for heat treat as it related to the manufacturing of primary metals. We spent hours that added up to days, and weeks and months, talking about what were we willing to do in terms of the total decision making of, "if you going to start a business, where is it?" Where do you get the money to do it? Alan was very disillusioned. It took about a year for him to realize that his expertise was in industrial manufacturing, not in maybe making pies, or selling bicycles, or something totally unrelated to his past education and experience. The disappointment and the disillusionment of his career path led him for a while to kind of flounder with possibilities that weren't probabilities. Meanwhile, I was getting pink slipped every year because we were into the zero population growth years. I loved teaching. I probably still love teaching more than anything I've every done professionally. But I was getting a very strong nudge to go into administration. Public educational administration really wasn't my bag at all. If I were going to stay in education I wanted to stay in the classroom. I guess at some point you say, "Today is the day.

I'm going to do this thing." So, we, one day said, "If we move on this day, and we take this step, this step, and this step; by this date we could be in business." We'd already done the research of, if we're in business, where are we in business? There were some things going on a global scale that impacted directly on our decision. In 1975, we had the first of several fuel crises, where gasoline was unavailable in major cities. It was rationed. Natural gas was totally unavailable to any new user. The cost of electricity was prohibitive in major industrialized areas. Our choice boiled down to two places, Michigan or Georgia. Georgia was aggressively pursuing industry, was willing to put a lot of tax free and interest free money into anybody that was going to come there and bring with them industrial type jobs. But a heat treat in the South is just hot poured on hot. I was not a "southern gal", and I wanted to stay here. We could not start our business in the Detroit area. There was no fuel to feed the furnaces. Heat treat furnaces use huge quantities of fossil fuel. Part of our investigation involved finding places where we could get adequate supplies of fuel, dependable, adequate supplies of fuel. Ironically, and happily, the best place to do that, after our research, was in Holland, Michigan. Holland at that time, as it does today, had a coal-fired electric power plant. Coal was readily available. Holland's industrial base tended to be small manufacturing that only ran one shift. Power plants have to gear up for peak performance. So they geared up for the day shift, and had

virtually nothing to do with all this fuel on the afternoon and night shift. We came in and said, "We'd like to put in a heat treat furnace that will be heated by electricity. It will run seven days a week. It will run twenty-four hours a day. And it is capable of using some of the residual electrical power that you have to dump presently." We were fortunate to be able to rent a building in the location where you are presently sitting, Ryan; which is on the return loop of a major industrial power line going down toward Hart & Cooly. So, we installed our first furnace in what had at one time been Holland's major supplier of jobs and income, the Holland Furnace Company. That's kind of how we got here.

RH- Could you describe some of the difficulties in the first years of business?

GH- In the first year, everything was difficult. Nobody knew us. We didn't know anybody else. We very quickly learned that in spite of all of that two years of heavy reading, we didn't know a thing about running a business. Whatever could go wrong, did. We were the typical entrepreneur of the period. We didn't know that we were part of a huge movement toward entrepreneurism in this country and in fact globally, a movement that really had not happened in some eighty years prior to that. Circumstances were such that it was happening everywhere. We thought we were kind of on our own little ice float, floating toward the equator.

We were under-capitalized, but we learned that's kind of classic entrepreneur behavior. You can't get enough money to do the job comfortably. So, we worked extremely long, grueling hours. We had tremendous problems getting workers because we couldn't pay competitive wages, and because we lacked a history and a benefit package that would attract the kind of skilled people that we really needed to run the furnaces. Everything was just a challenge.

RH- How did you raise the capital to start the business?

GH- We borrowed it. We used everything we owned as collateral, our home, everything we owed. At one time, I really believed the bank had our kids as collateral.

RH- Did you start out with one furnace?

GH- We started out with one furnace. In fact, our then six year old son crawled through it and announced that it was a very good furnace and Dad should buy it. It's still our number one furnace. It still runs here. We started out with one furnace. We started out with no test equipment, with no support anything. There was Alan and I and the furnace. The children helped us paint it. One of the family jokes was that my daughter turned around to show me her work, she was four years old, turned around to show me what a great job she had done, and painted me.

RH- What are some of the most difficult decisions you've had to make over the course of the business' lifetime?

GH- When I read this question, the first thing that jumped in my mind was obviously the most painful one. So I've got to tell you, this may not sound that difficult, but about three years into the business there was a recession, as there often is quite cyclically with the automotive industry which drives our kind of business. We had to lay-off some people. The decision was obvious. We had to do it, but the execution of the decision was probably the most painful memory I have of those early years: it was telling people who really had committed to our little business that they were layed off and I didn't know if I'd be able to call them back. This is the kind of thing where there's no preparation for it. You get one chance to get it right. I guess that kind of describes life. Every new decision was a difficult decision because I had no background in having made it before. Who do you hire? Who do you not hire, and why? Where do you get additional capital to grow? How in the world do you pay it back? Where do you learn about all of those things that you don't know, whether it's international business, or finance, or investments, or people management practices, or new technology, or what strategic direction your company ought to take in order to be around in the future. Every decision is a crucial one.

RH- How did you find customers when you first started?

GH- We met a man who had been a salesmen in the screw-machine business for a lifetime, and he was retired. He was 69 years old and his name was Wilson Bradley. Wilson Bradley was one of those people that God gives you now and then, so that you know for sure that life truly is good. Brad came out of retirement and he went to work for us, and he knocked on doors. For Brad there was no such thing as a closed, to say nothing of locked, door. Brad went out and knocked on the doors of his friends and acquaintances and cronies from forty years of being in the screw-machine business, and went to foundries and went to forgers, and talked people into taking a chance on us. He worked for an entire year without one dime of compensation. He said, "I believe in you guys. You're going to do alright." He made sure we did.

RH- Has the company experienced any crises situations?

GH- About every three years. It seems about every three years there's a major crises. Something will dramatically change. The most recent one was in 1989. We're still living with the consequences of that. Our business is driven by the automotive industry, and they are not kind to small suppliers. The recession hit in '89, '90 whenever you want to define it. We

literally lost 60% of our business overnight, in a period of 90 days. I think what we've learned from that is small fish can't swim in big ponds. We were a first tier supplier to the big automotive companies. We simply can't be a first tier supplier. We're too small. You run into the situation, finally, of you're not big enough to be big, and you're a too big to be small. What we've been faced with for the last three years is down sizing to the point where we can survive, given the burden that has grown up around us over the last fifteen years before that.

RH- How would you describe your management style?

GH- I read that question, and I'm not sure I know. I think as a manager I've got to confess, as much as I hate to say this, I'm probably a little autocratic. I like consensus. I like to have everybody agreeing on a direction. I hate it when there's conflict. I think some of my teaching style comes to play in my managing style. I like to see people who haven't done something before try to do it. So, I will encourage that a lot. I like to see people being successful in things they've never tried before, or that they think they can't do. I will delegate a lot of things to other people, hoping that their experience is going to grow them as managers. I used to be a very hands-on manager, and as I've matured I've become less hands-on. I suppose because of that I'm a little less autocratic, but not much.

RH- What changes have you seen in the market and your business in the past 20 years?

GH- In the early years, in the '75 to '80, this company grew like Topsy. It was just uncontrolled, wild and crazy growth. We had years of 400% growth. That's just overwhelming. You don't manage that. It manages you. This business doesn't fit nice, neat, tidy, little niches. What I hear from some of my manufacturing friends, "We're planning on growing 20% next year." This business is more like the dry cleaners. You tell my how many dirty suits people are going to bring to me, and I'll tell you how busy I'm going to be. Nice, neat, tidy growth doesn't work. You can target certain, services or practices that you want to go after; but you have no idea, for certain sure, if it's going to be controlled growth. It won't be. It will not be a nice steady, even, inching upward. It will be erratic, and it will be feast or famine. That's really what has happened. In the case of our business, as Detroit goes, so goes the nation. Everything we do is tied directly or indirectly to the automotive market place and to manufacturing. It's going to go up or down largely dependant on that. There are some other minor variables that play into that too, not the least of which is our own performance.

RH- Have you seen many changes in technology since you've begun

the business?

GH- No. Our's is a very mature technology. I've seen growth in productivity to the point where you're going to start fooling with mother natures basic principles, if you think you're going to be more productive. A BTU of heat will yield only so much energy. I don't care how much technology you throw at it, you're not going to get more than that out of it. We've kind of matured the productivity curve. In terms of the management of business as a business- just as a generic business, yes, there's been significant change. Certainly today, we're far more egalitarian, far more interdependent on the skills and abilities that people bring to the business; in terms of managing people, managing systems, managing planning. But the technology that drives the business is what it is.

RH- What kinds of changes have you seen in Holland as it has grown and developed?

GH- I think the biggest change is that there is so much more of it. I think that Holland has got only better. One of the biggest problems that we have is that we don't have enough people for all the business we'd like to have here. I'm speaking not just for me, but I think for business and industry in general. If the climate weren't so good, there wouldn't be so many businesses that want to come here. We've also got to manage the

growth. We certainly didn't have that problem in '75. We kind of quietly snuck into town, and nobody even noticed. A lot of the businesses have been here for a very long time. There was a good business base to grow on. I think one of the things that has probably helped businesses in general. If I could identify one thing that helped the growth of business in general in Holland, I would say it's our Chamber of Commerce. I have never gone to another town that has the quality of support of business that this chamber has. I think that make the critical difference for business.

RH- Has the business turned out the way you originally envisioned it?

GH- I don't think I had this long a vision. I don't think I could see that far out. I'm far more immediate, and especially almost twenty years ago. I was far more immediate in my focus. No, it hasn't turned out the way I thought it would. I envisioned something much smaller.

RH- If you could go back, would you change any of your business decisions?

GH- Yes. There are a lot decisions that I would change. I might even have gone into a different business.

RH- Any in particular?

GH- No. Maybe that just the grass is always greener on the other side of the street. Twenty years in business tells you one thing: you only get one chance. So, however you did it, that's as right as your going to be.

RH- What course would you like to see the company take in the future?

GH- I'd like to see the company get into some higher tech behaviors. I'd like to see us do some higher technology kinds of work. I'd like to see us diversify. We've always had all of our eggs in one basket. I'd like to see us try some new ways of earning our income. Not so far unrelated from heat treat. I don't want to start growing blue berries in the field across the street. I'd like to see us do some related kind of manufacturing. I think that would be good for the long term health of the business as an entity in it's own right. I'd like to see us capitalize more on some of the technology that's available today that makes the kind of work we do a little easier. Those are the two major directions I'd like to see us go.

RH- Do you think you will keep the business in the family, or

will you sell it in the future?

GH- That's an interesting question. We encouraged our kids not to come into the business. We just felt that there were a lot better ways to make a living, a lot easier ways, a lot cleaner and cooler ways to make a living. The business was such great competition with our kids as they were growing up for our time and our intellectual resources. I think David and Elain felt that it would be OK if we did something other than Atmosphere Processing. But then they both came into the business. Elain is in the human resource area. David is in the finance and accounting area. Both of them probably know more about how to operate the business than either Alan or I individually and maybe even collectively-because they've grown up with it, plus they've been educated. So, I don't think that's a decision that Alan and I are going to make. Neither David nor Elain has said, "I want to run it." On the other hand, they haven't said they absolutely don't want to run it either. They're working in the business in their areas of expertise and interest. I don't know how that's going to go.

RH- What advice would you give to a young entrepreneur?

GH- Let's assume that literally the person is an entrepreneur. If that's a given, I would say, "You must pursue your dream." It would be a terrible thing for someone to want to have the

opportunity to own their own business, and for whatever reason, didn't do it. That's a tragedy. That's like a great artist not painting a great painting. The world would be poorer for lack of the Mona Lisa. It must be a terrible thing to live with the burden of always having wanted to do that and never having had the opportunity. I think it's critical that they do it. But I think it must be done with the same discipline that is required of getting a job. That homework that Alan and I did in the early years- that soul searching, that planning- are critical to the process. I can't tell you how many times people have come to me and said, "I'd like to start my own business, and this is what I'd like to do. What do you think?" It doesn't matter what I think. What matters is what they think. My advice to an entrepreneur would be start your business, and don't wait.

RH- How do you feel about the West Michigan work ethic. Is it real or is it just a myth?

GH- I think it's a myth. I'm sure you'll find a lot of people who disagree with me, but I think it's a myth. My experience in western Michigan is less than twenty years long. I believe that a person who has self respect for their efforts, who has a sense of appreciation for what it takes to provide a job, and who has certain personal goals in their life, is going to work hard. It doesn't matter what the geography is. Certainly the culture of West Michigan promotes industriousness. I don't think that's

exclusive.

RH- Has you company been involved in any community service projects?

GH- Yes we have. We get involved in a lot of community activities and issues. We do that both as a company by contributing dollars and also by encouraging our employees to involved in those kinds of missions that are important to them individually. I think it's terribly important for a business to give back to the community that brings in its income. I also think that the whole community is stronger and the business is stronger by that kind of symbiotic relationship.

RH- In you own words, what is the companies mission statement?

GH- The companies mission statement is three paragraphs long. My short personal mission is to provide a service to our customers that is the highest integrity it is humanly possible to give them.

RH- That's all of my questions, is there anything else that maybe I forgot?

GH- If I had to do it all over again, I would want to do my life's work in Holland, Michigan. It's a combination of factors,

not the least or most of which is the geography. It's also the kind of moral, ethical, cultural, and social integrity that make it special to be here. That goes far beyond something called a work ethic. It has to do with being encouraged to do something just because you decided that's your mission. I don't think anywhere else I've ever been, would I get the kind of moral support that I got from virtually every contact that I made in Holland. So, I'm really glad to be here.

RH- OK....Thanks a lot.