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Streur, Harold Oral History Interview: Carl Frost Center Oral History Project

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Oral History Interview:

Harold Streur

Conducted and Transcribed by:
Ryan Harvey

Edited by:

Harold Streur & Staff

June 14, 1994
1:30 p.m.

RH- First we will start with a few formal questions. Please state your name, date of birth, and the company you presently work for.

HS- My name is Harold Streur. I was born on April 4, 1914, and I work for Castex Incorporated- A Tennant Company.

RH- How long have you lived in Holland?

HS- All my life.

RH- What is your educational background?

HS- I went to school up through the eighth grade.

RH- So did you go to Holland Middle School?

HS- I went to Maple Wood School.

RH- Can you tell me about your first job experiences?

HS- Well, I've had several job experiences. I worked for Baker Furniture in the finishing room for 13 years. From there I worked in Grand Rapids for the firm of Kent of Grand Rapids. I worked at Kent for five years. Then I decided to start my own

furniture finishing business. I built a store in 1951. There was limited market for my hand finishing skills, so I added carpet, drapes, lamps, pictures and knickknacks. The carpet portion of my business grew so rapidly that it took all of my time. So, I dropped the other items and concentrated on carpet alone. I was in the retail carpet business for 30 some years.

RH- What carpet business?

HS- Streur carpets. I was the sole owner.

RH- What year did you start that?

HS- I think it was 1952

RH- You sold carpets and installed them?

HS- No, I mostly ran the store and sold the carpet. I hired free lance installers.

RH- So how did you become involved with Castex?

RH- I got involved with Castex (which stands for CARpet STEam EXtraction) because of my background in the carpet business. I wanted to help my customers maintain their carpet and keep it

looking good at all times. So, I started researching how carpet was being cleaned. This is before your time, but they used to clean carpets by simply scrubbing them. It left the soap and dirt in the carpet. It pushed it all down. I knew this was not a good method. So, I continued to look for a better method.

Finally, I saw a different concept that worked. But everything that was made with this concept was inferior in terms of quality, maneuverability and results. So, my son Wayne and I decided that we were going to make something better. And that's just exactly what we did. In 1972, we made a very good machine that cleaned carpet. I designed the first machine on my kitchen table and that machine is still made the identical way today.

RH- So, what was the idea you came up with?

HS- It's a machine that uses a flushing method. The process involves using a pump to inject a hot water and chemical solution into the carpet to work soil loose. Then agitating the carpet with a wand to further loosen the soil. Then recovering (extracting) the solution and soil with a powerful vacuum. This process truly gets the dirt out of the carpet

RH- So how did you go about starting Castex?

HS- In 1972, I drew some machine plans on my kitchen table. From there, my son Wayne and I began the manufacturing process.

I had the first pump running in my basement. Then we hired outside sources to manufacture the first fiberglass cases for us. But it was very hard to find somebody that could do a good job. This went on for a few years. Finally, Wayne and I decided we would make the fiberglass ourselves to better control the quality. I told my son, "Let's make them ourselves, we can do it better!" We knew nothing about fiberglass, but just went into it anyway. We experimented and got her running from then on, and never had a problem.

RH- Before you came up with a design, did you already have some technical skills in building machines, or anything? Or did you just experiment around with it?

HS- God gave me a natural ability to build things. I love to work with my hands. And I knew the basics of what I needed to get done. I knew in order to make a mold, first you first have to make a plug. Then you make a mold and from your mold, you make your case. The mold is what determines your product. So the mold had to be perfect. I guess it was a combination of natural abilities and experimentation that made it work.

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

HS- Fortunately, I can't say we had many difficulties. One of

the biggest hurdles we had to overcome, in the beginning, was finding pumps. We needed a pump that would pump hot soapy water. The problem was that the soap and hot water would take the grease off of the bearings of the pump. It took us a while to find manufacturers of pumps that would work in our machines. At that time there were no pumps made especially for the carpet cleaning business like there are today. Today they make all kinds of pumps. But We just kept going and struggled through it until we finally found pumps that would work.

RH- You mentioned that your son, Wayne, helped you out in business. How was he involved?

HS- When he came home from the service, we talked about cleaning carpet for our customers. I purchased a machine for him and got him started in the carpet cleaning business. The machine I purchased had the right flushing concept, but it was too big, too heavy and the results were average. Wayne and I wanted something better, so we manufactured our own.

RH- Did you quit your other job selling carpet when you began Castex?

HS- No, I kept my store. I had my son-in-law run my it for me. Then Wayne and I got so involved in Castex. We kept getting busier and busier, that in 1981, I sold my son-in-law Streur

Carpets.

RH- How long did it take before Castex started making a profit?

HS- We started making a profit from day one.

RH- Who were some of your first customers?

HS- Our first customer was a carpet store in Gobles, Michigan. I forget the name of the store. They bought our first machine, which they used it as a rental unit. After they had it for several years, we replaced their unit with a new one because they were our first customer.

RH- Did you have any big customers in the first few years that really helped your business out when they decided to buy from Castex?

HS- No, not in the first few years. In 1980, we started a business relationship with The ServiceMaster Company. By this time, we were manufacturing in decent volumes. ServiceMaster is still one of our top customers today. We made the quality products and provided the good service they were looking for. That's why the business continues today. We've always enjoyed a nice working relationship with ServiceMaster.

RH- So where was the first place you started manufacturing Castex products?

HS- I owned a little home right next to my store at 457 W. 22nd Street. It had four rooms in it and that's where we did our manufacturing at first. We shipped right out of Streur Carpets. In one month, we production was up. Eventually, we got as high as fifty machines a month out of that little house. That's when we decided to build a factory.

In 1973, we built a factory on Blue Star Highway on the south-side of Holland. The building was 60 X 100, and when we looked in the front door we said, "We'll never use all of this space!" But we've continued growing ever since. Very shortly after the first building was up and running, we put up another 60 X 100 building, and we quickly grew out of it. Through the years we continued to add on to the buildings. Today, we have approximately 125,000 square feet at 4240 Blue Star Highway with no more room to grow at the location. Our new 220,000 square foot facility will open in August, 1994, on Ransom Street on the north-side of Holland.

RH- You mentioned that most of the capital you came up with was internally funded. You never had to take any loans?

HS- I personally never took loans. I had my other business which helped us keep up with the growth of Castex. We always had

enough money to continue to grow. We kept selling units, and we kept making a profit. It just kept going like that. It wasn't until after I sold my ownership of Castex to Wayne in 1985, that a loan was ever made. In 1989, Wayne made his first loan to purchase Nobles, another commercial floor maintenance company.

RH- Do think being located in Holland helped the business? Did you ever consider moving the business to another area?

HS- Holland is a great town to do business in. People are honest. We have quality workmanship here and a strong work ethic. We have a very fine crew in the office and in the factory.

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

HS- One decision which was difficult was which channel of distribution to use for our products. For almost ten years we sold direct to carpet cleaners, to carpet stores and to whoever wanted a Castex machine. As long as we continued selling units we were happy. Then we decided under the advisement of Tom Vander Bie, a family friend and our new Director of Sales in 1980, that in order to become larger we needed to sell through janitorial supply distributors. So that's what we did. We started selling through distributors in the early 1980's and

sales really started to take off.

RH- Have you ever had any really tough times with the business where you weren't sure if things were going to work out right?

HS- Fortunately, we always kept growing. From the beginning, we made a quality product. I told my son at that time, "Someday they will ask for Castex because of our quality." Within the last few years, my vision has come true. We haven't had any trouble getting distributors to sell our products. They ask for Castex all over the world.

The only business risk we took was when we purchased Nobles Industries, a 40-year old Minnesota-based company in the Fall of 1989. Nobles, a \$5 million in sales company, manufactured primarily commercial-grade hard floor business. Wayne and Tom thought it would be a good way to diversify and get into the hard floor business. This way our company could offer a complete line of floor maintenance products. However, Nobles products needed a lot of work. In fact, Nobles lines needed a total overhaul in terms of the products and the distribution. This drained our capital for a couple of years. But after the third year, we turned Nobles into a profit-making division of Castex.

Venturing into the global market was also a bit of a risk. This was headed up by Barry Johnson in 1989. Barry has been with Castex for over ten years. When you sell internationally, sometimes you have to wait a little longer for the return.

Fortunately, our internationally division has done well and currently represents over 10% of our sales.

RH- So your company has probably never experienced a crisis situation?

HS- No, we don't know what that is. However, we did put in some physically, mentally and emotionally draining hours in Castex's infant stages. I worked in the carpet store during the day and built machines at night. My son cleaned carpets during the day and built machines at night.

RH- Once the company was producing full force, and you sold Streur Carpets, what was your position in the company?

HS- I started out as the President for a while. My son managed administration and the sales. I managed the manufacturing process because I knew if we didn't make a good product, we didn't need an office. So my concern was always making a good product. We started with that as our concern and it is still our concern today. What the customer wants and needs, we will supply. That's what we are there for. That what we're there for. In the 1980's, I became Chairman of the Board, Wayne became the President and Tom Vander Bie became the Executive Vice President

RH- Are you still a private company?

HS- No, in January of 1994 Wayne sold the business to Tennant. Tennant is a \$250 million, Minneapolis-based company that manufactures industrial floor maintenance equipment. They also had a \$15 million, Niagara Falls-based commercial division which they closed when they bought Castex. Tennant wanted to be successful on the commercial side of the floor maintenance industry. They see more potential for growth in this market, the industrial market has become very mature. That's why they bought Castex. Tennant is a very good, solid company. They are quality-oriented, and they're good people to work for.

When the purchase was in process, Wayne had already started putting together plans for a new \$5 million facility for Castex on the north-side of Holland. After the purchase, Tennant agreed to continue the construction and keep Castex based in Holland, Michigan. Since the acquisition for \$28 million, Tennant has done a wonderful job managing the construction of the new Castex facility. Everything is being done first class, and it's definitely a good addition to the city of Holland.

RH- So they're a public company?

HS- Yes. They're a publicly-traded company.

RH- How would you describe your management style?

HS- I would say it has basically been a customer-oriented management style. And Tom Vander Bie, who has been managing Castex for the last ten years, has continued to use this style. Business is all about meeting people's needs. We work with our customers and deal fairly with them. We try to solve unique problems. We strive to be honest and quality-oriented. We work toward constantly improving ourselves. In the days when I did the hiring, I always asked the prospect, "Will you give me a day's work for a day's pay?" That's an honest question to the prospect and to us. I still believe this. We expect a person to give us a day's work. If they don't desire to do that - we don't need them.

RH- Has Castex ever had any employee participation type management or bonus plans?

HS- We implemented an employee bonus program in 1992 based on the profitability of the company. This has worked out well and strengthens the team spirit. We're all equally valuable to the success of the company.

RH- So is that a yearly bonus?

HS- No, it is a quarterly bonus based on profitability.

RH- Have you ever heard of the Scanlon Plan?

HS- We've looked at it.

RH- Is it similar to that?

HS- No, it is not like the Scanlon Plan. We are working toward a more participative management style. Right now, we are simply rewarding everyone equally for strong performance.

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

HS- One of the changes in the marketplace that we are starting to see is an increase in larger distributors and a decrease in the number of small and mid-size distributors. Companies (as well as manufacturers) are merging together. This makes it a little more challenging to decide who should distribute our products. We are also starting to see some manufacturer's sell equipment directly to the end customer. For example, Clarke now sells a few pieces of commercial equipment through Wall-Mart.

The future of the manufacturer's representative is in jeopardy, and some even say the future of the distributor is in jeopardy. Many companies outside our industry are trying

eliminate redundancies in the selling channel because our equipment needs to be serviced. Basically, I don't see any great changes. It all boils down to working with your customers and taking care of their needs.

RH- Has the growth of the business increased steadily or have there been certain times where it's been better than others?

HS- This chart shows the way we grew.

(Mr. Streur hands Ryan a graph)

RH- It's pretty steady, but around the mid-eighties it really took off.

HS- It really took off due to the introduction of a new type of hot water extractor called a self-contained extractor. We were the first one's in the market with it. The machine really boosted our sales volume and our reputation in the industry. As you can see 1989 and 1990 were fairly flat. This was during the acquisition of Nobles. But overall, our growth has been fantastic. There were several years where we practically doubled our business.

RH- Did you have trouble keeping up with all the new growth?

HS- At time our cash flow was a little tight due to the growth.

but we never had and major problems until recently. We just kept adding and adding square footage to our current facility until we ran out of room. We're in the process of building a new facility which is 220,000 square feet - basically, five acres under on roof! Now we will have the room we need to operate. It will be interesting to see how quickly we will grow out of our new facility. Fortunately, the new building is being constructed with growth in mind. It has an expansion wall, and we have plenty of land for growth.

RH- Have you ever had to turn away business because you just couldn't keep up with it?

HS- Not really, our customers have always waited. in recent years, they may have waited a little longer for a product, due to a back order situation, but we always take care of them. We still try to ship as quickly as possible and have gained a good reputation in the industry of quick turn around.

RH- What kinds of changes have you seen in the Holland business climate over the past 20 years?

HS- I think local businesses work closer with the community then what we used to. Today, I think we work more together as a community. I think we're interested in one another, and also in the community. The other change I've noticed is how successful

the Holland-area businesses have been! There's so much growth in Western Michigan. the only concern that goes along with this growth is that the labor pool is shrinking.

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

HS- It's way beyond what we envisioned. We never dreamt it would ever grow this fast, or so big. No, it just keeps on growing. We expect to reach into \$50 million this year. It's a big business. It grew way beyond my expectations.

RH- So are you still involved in the business?

HS- Yes, I am. Even after it was sold, I have stayed involved. In fact, I work everyday. I didn't work today, but normally I go to work in the mornings. In the winter time when the weather is bad, I sometimes work a little more. It depends on what needs to be done. I'm there to help wherever I can - building things, painting things and fixing things.

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

HS- I don't think so. Basically, I think we built solid company from day one. We were always solid. We always maintained a good

relationship with our customers, and we were always financially stable. One thing I always did, I always paid my bills on time.

RH- Have you ever gone into any other businesses?

HS- Well, I was in the furniture refinishing business for a few years, and of course I had the retail carpet business. I had never dreamed of getting into the manufacturing business. That's just the way it turned out.

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

HS- I would like see the philosophies of the company stay the same; to treat every customer and every employee honestly and fairly. That I would like to see, and I'm sure it will. I brought this philosophy over from my days running Streur carpets. When you treat people honestly and fairly, they'll do the same to you.

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

HS- First of all, they have to know the business, to a certain extent. Then, they have to be dedicated to it. It takes a lot of hard work, and good planning - they must be willing to work hard. It takes a lot of wisdom to make good decisions. It's

also very important that they like and enjoy the business they start. And they must remember to be honest and fair to their people and customers.

RH- Do you think the work ethic in West Michigan has helped your business?

HS- Definitely, we've noticed it quite a bit. People at Castex are used to doing a good job. They take pride in their work. We encourage that. Our company is made up of a group of good, honest people who are willing to give us a days work and do a good job.

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

HS- We have very seldom been involved in community service. We've just been too busy. We have donated some equipment to various non-profit organizations like the new Holland Museum and Davenport's new Holland campus. We have also helped to clean some area churches.

RH- If you could give a mission statement for your company what would that be?

(reading from paper)

HS- Here's the mission from Castex/Nobles. (Mr. Streur reads from paper.) What we're committed to is customer satisfaction. The customer comes first. We strive to satisfy our customer's needs by providing high quality, innovative products, and top-notch service in everything we do. And to the people, we are dedicated to a growth environment, where everyone associated with us is afforded the opportunity to become what they are capable of being. Profitability, we believe in sufficient return on investment to meet our responsibilities to others, and to our family and our country. Service, we are committed to serving our industry, community, our country, and God.

RH- That takes care of most of my written questions. Is there anything else that maybe you would like to add?

HS- No, I don't think so. That's the basic history of our company. No doubt you are surprised that with my educational background and where we are today. But it has continued to grow, and I'm a Christian. I believe our talents are definitely given to us from the Lord. There's no doubt in my mind about that. There is one thing which I've learned through the years and that is to pray for wisdom to do the right thing. Wisdom is a lot different than going to school for knowledge.

RH- That's probably more important than anything else, and just

working hard, and having a goal.

HS- You can go to school for as many years as you want, but wisdom being able to apply your knowledge. That's the secret of success. There is only one place you can get wisdom, and all the Lord says is that we have to ask.

RH- What do you think are some of the experiences that have taught you the most over the years?

HS- I can't say there is anything special that I have learned except that I've just learned to be honest and fair to people and that's why the carpet business always continued to grow. That's life- treating people honestly, fairly, and with respect. Working together and helping each other is important. You as young people have lots of opportunities, but you have to learn to work with people. When you work for an employer, the only time you are valuable to them is if you can help people. Employers don't need an employee just to be there. That employee has to bring something to the business.

(Pause- casual conversation begins)

HS- I've always paid my bills. I was honest and fair in my carpet business. Every weekend I would send out my bills, and I would pay all my bills through the following week. So, I did not have to worry about paying bills, I could just take care of my

business. That worked out well for me. I think a lot of business start out on the wrong foot, in financial trouble. That's a dangerous position because your mind is on finances instead of on your business. That's not good.

RH- Did you ever find that you had to spend more time with the business than you wanted to? Did you wish you could spend more time doing other things, maybe with you family?

HS- I always enjoyed work. I enjoy doing things. I just enjoy life everyday, even today. I enjoy everyday the Lord gives me. No, I can't say I ever regretted any part of it. I've always worked hard, but there's nothing wrong with working if you enjoy it.

RH- It seems like when you first started out, you started out by trying to design a carpet cleaner. That would be difficult. I know for me if I had to sit down and design a carpet cleaner, and didn't already know a lot about building things. It would be difficult to do.

HS- Well, It would be difficult, but we knew from Wayne's experience in carpet cleaning what we needed. We needed a tank to hold our solution, and we needed a recovery tank to recover that hot water.

RH- So you would just go to the hardware and buy what you needed?

HS- I went to different manufacturers and different suppliers to find what I needed. I built a case. I built it to a certain size, and I had to make the tanks a certain size, so many gallons. Then I had to have room for the pumps and the vacuums. We still use the same design for some of our machines today.

RH- So it was a lot of trial and error?

HS- There is always some trial and error. You try this and try that. But first of all, you have to have a constant. You have to have an idea of what you want to accomplish. Then you have to think, how am I going to accomplish this? From there is how you're going to do it. I would say, find how you're going to do it first. Once you get it done, you can improve upon it from there. We've made a lot of different machines over the years and 95% if them worked out well. We designed them right from the beginning. In some cases, we have kept machine designs for over twenty years. It isn't very often that you see a product that's made the same way for that long of a time period and remain successful. We had a few innovative product failures, but this typically happens when your an innovative company. Castex is known as the leader and innovator of commercial-grade carpet maintenance equipment. And Nobles is quickly gaining a

reputation for being the leader of commercial-grade hard floor equipment. We continue to market the two brands separately. Today, our products are shipped all over the world. We ship to approximately 56 different foreign countries. An we currently manufacture approximately 38 different basic model for the Castex line and approximately 45 different basic models for the Nobles line. We keep busy.

My advice to anybody interested in running a business is to be dedicated, to be willing to work; to watch your finances, and to treat people honestly and fairly. When you look a person in the eye they will know. If they know you're sincere, they'll believe you.

RH- It helps to have a good idea too, like your idea for a better carpet cleaner.

HS- Well, I saw the need. It was my life. It was my business. The current models they weren't getting the dirt out. I knew that. I was in the vacuum cleaner business too for a while. I was a distributor for vacuum cleaners. To maintain a carpet, the first thing you need is a good vacuum cleaner. That's number one. But regardless of how much you vacuum, there is still going to be certain amount of soil, and that soil is going to need to be removed. So we figured we had a way to remove it.

RH- You mentioned Nobles earlier. I understand you make

cleaning devices for hard floors as well?

HS- We make a complete line of commercial-grade floor maintenance equipment. We manufacture everything from vacuum cleaners to large automatic scrubbers

RH- That's interesting to me. I'm not sure what area of business I would like to go into, but I'm very interested in business.

HS- It's fun. It's an interesting life. You work hard. I would say, there isn't anything special about it, but you have to know what you're doing. You have to see a need. You're there to fill a need. In selling, you're selling something to fill a need, that's the name of the game.

RH- So are any other of your family members in the business? Do you have grandchildren involved in the business?

HS- Yes, my one son and I were in this together. Even after I sold my portion of the business to him almost ten years ago, I still continued to operate with Wayne and Tom and to offer them my counsel. My grandson, Mike Streur, also is employed at Castex, but never had any ownership in it. He grew up with the business and knows it quite well.

RH- Well, I guess that wraps things up.

HS- OK

RH- Thanks a lot.