Bauer, Fred T Oral History Interview: Carl Frost Center Oral History Project

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Oral History Interview

Fred Bauer

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*Due to poor sound quality, nearly all of this recorded interview was unable to be transcribed. The portions which were transcribed may be altered from their original recorded form.*
First, could you state your name, date of birth, and the company you presently work for?

My name is Fred T. Bauer. I work for Gentex Corporation.

How long have you lived in the Holland area?

I've lived in Holland approximately thirty years.

Where did you live before you came to Holland?

Before Holland I attended Michigan State University in East Lansing. Before that I attended high school in Fenton, Michigan.

Could you describe your educational background?

I have an electrical engineering degree from Michigan State University with a minor in business. And I took part of a masters program at Michigan State.

What were some of your first job experiences?

I had done a lot of different things. Before college, I worked for in gas station. In the summer during college, I drove truck and worked in a factory making steel-shaped parts. Also I worked in factory that made mobile homes, and worked in the first
factory which I started out of college.

RH- How did you become involved with Gentex?

FB- The story there is a little complex. I started my first company in Holland. It was called Simicon Corporation, which later became a division of Robertshaw Controls Co. Gentex was the second company. I was really only an advisor and stockholder when Gentex.

RH- Could you tell me a little more about your first company?

FB- My father was in the furnace business and they were having a great deal of trouble with certain controls furnaces. Being a recent graduate in electronics, we developed controls to monitor the combustion of residential furnaces.

RH- How did you raise the capital to begin your businesses?

FB- We didn’t have much capital when we first started. Money was raised from various businessmen and money was borrowed from a local bank.

RH- How did you end up working for Gentex?

FB- I helped start Gentex in 1974, and was the largest share
holder. I was not active initially, on a day to day basis. I became active full time in the early 1980’s.

RH- Where did you run the businesses initially? Did you have a plant?

FB- Gentex, started in a store front on 16th Street in about 1974. My first business, Simicon Corporation, started in 1964 in an old truck garage that is no longer in existence. It was located near the Tulip City Airport on S. Wasington Avenue.

RH- Have your businesses ever experienced a crisis situation?

FB- Yes. Practically my whole early life was one crisis after another. For Gentex, the worst crisis came in the late 70’s. The company had a smoke detector product line that was struggling. We really only sold to one customer. Within six months of my entering the company, that customer threatened to quit using our product. It almost ruined the company. That was a monumental crisis.

RH- What was the original product of Gentex?

FB- The original product of Gentex was a smoke detector to save lives in case of fire. It was sold for residential use, primarily for mobile homes.
RH- How did Gentex get into the automotive mirror business?

FB- It's kind of a long story. We first got into the mirror business with motorized inside mirrors that automatically dimmed. They fairly worked well, the first commercially successful mirror, but they made noise when the operated. They had the disadvantage of only having two reflections, very bright and very dim.

RH- Did you have trouble breaking into the automotive mirror market?

FB- Yes, a lot of trouble. Any new company has a lot of problems breaking into markets. Really automotive is one of the most difficult markets. I would not advise someone to start a business in the automotive industry today. The best businesses to go in are the ones that you can start small and work your way up.

RH- Are there any particular reasons you located your business in Holland?

FB- Originally, just because the largest customer was here. That customer no longer manufactures in this community, but with my first business we located in Holland out of necessity and convenience.
RH- Was that Holland Furnace?

FB- No, it was Home Furnace Company. The furnace itself is still in production today, but the furnace company was sold and moved to St. Louis.

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

FB- I would say it was a difficult decision with my first company whether to merge it with a larger company. It was a difficult decision to decide to go public with Gentex.

RH- Why did you go public?

FB- We went public really to raise equity funds. Small companies usually don't have enough money. They try to rely on borrowed money.

RH- How would you describe your management style?

FB- It's difficult to do in an objective way. I try to be fair. I try to be stable and foster comraderie. We have many managers in the company. It's mostly democratic. We try to get people's interests aligned with those of the company, so when the company benefits, they benefit also. It's difficult to do.
To run a company you don’t have to be good at everything, but you have to be at least passable at most things. If you’re very bad at one or two things when you start a company, it can be a serious problem. It’s also critical to objectively understand your limitations.

RH- How have you seen the market and your business change over the past twenty years?

FB- I’ve been in about four different industries. We still serve two separate markets. The automotive industry has changed dramatically, mostly for the better. The challenge from Japan has been good for the country, and the quality of the automobiles. It’s required a change in leadership and direction. The industry is about half-way through that change. Having Japan there causes the auto industry to refocus on operations, and on its products. This change has great repercussion on the rest of society, in that it inspires the car companies, suppliers and extends to other businesses. There’s a vast spreading of all the new information about better ways to make products. Auto companies deserve a lot of credit, more than some of the other industries, that have not survived like TV’s and ship building

(Rest of interview not available due to poor sound quality of recording)
Building and starting a new business is one of the most exciting things a person can do for a career. It’s hard to convey the thrill and suspense. The satisfaction of building a clean functioning enterprise which provides the livelihood for many families is something you have to feel to appreciate.

I consider myself a very average person in most respects, and don’t want to be anything else. The idea of continuously making things better than they were is critical to running a business, but also the key to building a better society, and to an individual’s philosophy of life. How high a business person, or any person rises is not so important as how far they came from where they started. My most important legacy is simply to leave things a little better than they were before I came.