

# RELATIVE *ly* SPEAKING

by Ann Zimmerman

FAMILIES WORKING IN BUSINESS TOGETHER HAVE A LONG TRADITION, AND NEW DYNAMIC PARTNERSHIPS ARE EVOLVING AS FAMILIES DISCOVER WHAT IT TAKES TO WORK SUCCESSFULLY TOGETHER BOTH IN THE BUSINESS WORLD AND AT HOME.



While the Ma and Pa corner grocery is largely a thing of the past, that doesn't mean there is a decline in family-owned and operated businesses. Family businesses continue to be important cornerstones of the economy, and that extends to the home industry and associated retail businesses. Building upon the trust, communication, and family values of hard work at home, family members are creating businesses that rely not only on these commonalities but also on the family members' diverse talents, skills, and training.

Statistics speak to the importance of families in business. According to the U.S. Census Bureau, 90 percent of U.S. businesses are family-owned or controlled. Family businesses provide half the jobs in Europe and America, according to Ernst & Young. Starting a family business is a daring

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thing to do, as during the early years family members sacrifice by working for free or at a lower rate than the external job market would pay for similar skills (Jennifer Xue, *Silicone Valley Globe*). However, as these Bozeman area businesses say, the rewards for working together are worth the challenges for them, and it makes a difference for their employees and their customers.

## WHJ'S FEATURED BOZEMAN FAMILY BUSINESSES:



E.G. Construction



Owenhouse ACE Hardware



Schlauch Bottcher Construction





## E.G. CONSTRUCTION



Eugene Graf IV grew up with a strong sense of how the history of his family and Bozeman are intertwined. As a young boy, he would often visit the offices of his father and grandfather and look out the window to the Baxter Hotel. His great-grandfather, Eugene Graf, Sr., owner of the Bon-Ton bakery and flour mill, served as president of the community corporation that built the Baxter Hotel. His father's and grandfather's offices had cabinets full of rolled plans and plat maps for projects and subdivisions they developed, and a poster on the wall served as a reminder that his father helped organize the first parade of homes. Eugene Graf IV now heads up E.G. Construction, a family business he founded in 2004 to build homes in the area.

Eugene Graf IV grew up helping the family businesses and working in construction. "It was ingrained in me that if something needed to be done, then do it. If I was at a jobsite and saw scrap lumber, I would pick it up. My first real job was at 13 when my cousin and I took over the lawn care on a condo development my dad built. At 15, I worked for my dad's cousin at a lumberyard, and I delivered goods to the jobsite. By then I knew from working with the local contractors that this was what I wanted to do. My heart is in this. I love being able to deliver a home to a family."

The senior Graf bought land in the surrounding area to grow his own wheat for the flour he milled, and over time the mill closure curtailed the demand for the wheat. With the help of an uncle, Graf's grandfather and father developed nearly 4,000 lots on the land that includes some major well-known commercial properties like the Gallatin Center Shopping Center.

E.G. Construction has twice been selected as local Builder of the Year—in 2008 and again in 2016. In 2011, Eugene was honored as Builder of the Year statewide. Eugene also served as president of the Montana Building Industry in 2012, and he is actively involved at the national level of the National Association of Homebuilders (NAHB). This, too, has its roots in family. "My father is a lifetime director of NAHB, and he let me sit in on meetings. I would say that my early experiences working around family instilled a sense of confidence."

"MY HEART IS IN THIS. I LOVE BEING ABLE TO DELIVER A HOME TO A FAMILY."

-Eugene Graf IV, E.G. Construction





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*-EUGENE GRAF IV, E.G. CONSTRUCTION*

Based on so much experience working with family, an emphasis on communication is Eugene’s advice for others considering starting a family business. He adds, “You not only have to be able to accept each other’s thoughts and ideas, but you all must share a common end goal.” ■



For Eugene, what drives E.G. Construction is a commitment for ensuring that the working people of the area have proper housing. There are roots for this in the Graf family. In 1987 and 1988, Eugene’s dad spearheaded and assisted in building “The Home that Helped,” a house donated to a local tradesman’s family. Seven years ago, Eugene headed up a similar effort that delivered a home to a disabled veteran and family.

Family remains a strong force in E.G. Construction. Sisters Anna and Heidi work with Eugene. Heidi has training as a real estate agent and is now with a title company that assists, and Anna does the administration for E.G. Construction. A field superintendent who has been with the company for 13 years rounds out the staff with Anna and Eugene. They build custom homes, design/build homes, and are building out Allison Neighborhood, a connected walkable neighborhood on the south side, their first development effort of this kind.

THE THREE C’S FOR FAMILY BUSINESS  
 ARE **CLARITY, COMMUNICATION,**  
 AND **COLLABORATION**  
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With such a fine line between business and family, a natural question is how the Graf family separates the two. “Business is always on everyone’s minds, and when we come together, it’s a chance to update each other. But we have a long history of just enjoying being together,” Eugene answers. “We enjoy a little bit of everything as far as recreation. My dad likes to golf, and I join him, and we all grew up skiing. Aviation is also something we share. My mom and dad are both pilots, and there is a long tradition of flying in the family.”

Sometimes it’s combining business and family that provides enjoyment. “When my dad comes to the office, we just like to talk. When we start or finish a new home, my mom and grandmother drive by to check it out and see what we are building,” says Eugene. “The main focus of my life right now is our two children. My son Geno loves coming to the jobsite and grabbing a hammer, or he will clean things up. He has also sat in on the homebuilder meetings with me and seems to enjoy it.”

For Eugene, the biggest challenge for a small family business is that it is small, and many roles fall on just a few people, making it is hard to escape from work even while at home and certainly when on vacation. And the best part? “I like seeing how everything comes together for a common goal. We provide jobs and we provide housing. We focus on what people can afford.”





“THERE ARE A LOT OF WAYS TO MEASURE SUCCESS, BUT FOR US, BEING SUCCESSFUL IS EXPRESSING GENUINE CONCERN FOR EMPLOYEES.”

—Larry Bowman, Owenhouse ACE Hardware



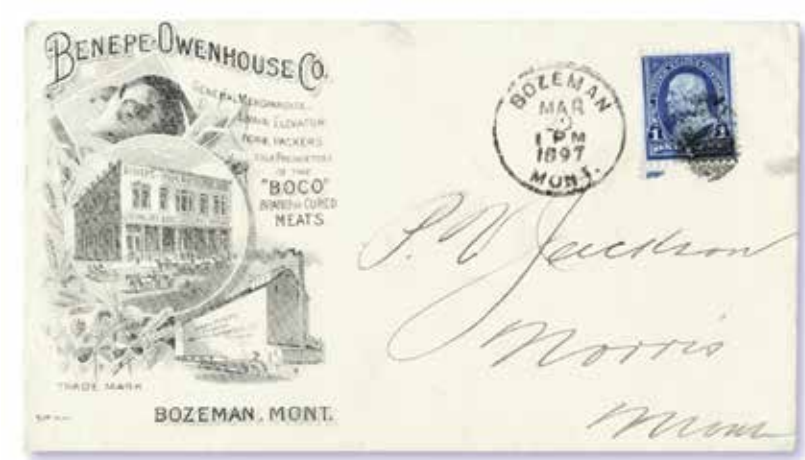
# OWENHOUSE ACE HARDWARE



Since 1879, when it opened as a general merchandise and hardware store in Bozeman, Owenhouse has been a local fixture and a family operation. It has grown up with Bozeman and met the changing demands. Throughout its long history, it has sold saddles, harnesses, and buggies; provided hay to the Virginia Stagecoach Line; showcased the latest in tractors and trucks and fixed them; and carried parts for everything it sold. Now Owenhouse ACE Hardware has two locations, one downtown on Main Street and another to the west on Huffine Lane. Owenhouse Cycling, also part of the business, is housed in a building behind the Main Street store.

Current owner Eric Bowman recently had a chance to reflect on this history with his dad, Larry Bowman. Larry retired in 2016, and he sketched out his personal history with the business. He started at Owenhouse Hardware part-time while he was going to the university. His wife’s father was one of three owners, and they asked him to stay after graduation and work full-time. “At the time, the business was about a hundred years old, and I could see a great opportunity working for an established firm that was doing well.”

During his tenure as owner, Larry made improvements like computerizing the store’s accounts in 1987 in order to manage the monthly billing for the large number of house accounts. “I really saw myself as the current caretaker for the business, which is a very different mindset than when someone starts up a business with blood, sweat, and tears. For them, it’s difficult to let go. In my case, I wanted the business to stay strong and to last to another generation.”



Eric Bowman tells a personal story similar to Larry's about starting at Owenhouse Hardware. "In college, I studied mechanical engineering and worked at a coffee shop. As I progressed with mechanical engineering, I realized job opportunities would take me away from Bozeman, something I didn't want. I seized the opportunity to work my way through the ranks at the store, starting as the manager of the garden department. Of course I had worked at Owenhouse in high school, cleaning and assembling, but this time I knew it was my future." Within a few years, Eric was managing the Huffine Lane store.

When asked to describe the transition, both men answered in a similar style—carefully listening and considering each question. They both agreed that they talked about it without any written road map for the transition. "We kept moving along, and I had more opportunities and more responsibilities," recalls Eric. Larry recalls his own transition into the business: "Then, my wife's father and her cousin were there to show me around."

Working together provides an opportunity for Eric and Larry to learn from one another. Eric says, "From my dad I have learned a style of management and an approach to employees and problems that works for me. I have always understood that my dad works hard, and he sets an example."

Larry counters, "Not just Eric, but in other businesses where the next generation has taken over, there is energy, enthusiasm, and technical proficiency that greatly benefit the businesses. Eric has moved our bike business into its own building, one where we used to sell trucks and farm tractors. Owenhouse has been selling bikes for a hundred years and used to be a Schwinn dealer, and now Eric has created a fine cycle shop."

Eric explains, "I'm a cyclist, and so is my brother. We wanted to serve our customers with a stand-alone bike shop independent from the hardware store. We carry fat-tire bikes for the sand



and snow and electric-assist mountain bikes. We rent bikes, as well, and that gives people a chance to test drive before they buy."

Both Eric and Larry agree that the community has a loyalty to family businesses. "A family business is a reflection of the owners and their set of values," Larry observes. "There are a lot of ways to measure success, but for us, being successful is expressing genuine concern for employees."

Eric adds, "In smaller communities, we are more connected and values matter. An example is that we still have a downtown, and people treasure it." They point to participation in civic groups, like the Downtown Business Association and other non-profits, as well as being involved in the cycling community as examples of how family businesses like theirs are part of the community fabric.

"SMALL, INDEPENDENT FAMILY-OWNED BUSINESSES STAY COMPETITIVE BY OFFERING UNIQUE PRODUCTS, EXCEPTIONAL SERVICE, OR A MORE PERSONALIZED FEEL."

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Returning to the importance of employees, Larry explains that in a hardware store, people come in to solve a problem because something is broken. Service and expert assistance is key to helping people and fixing their problems. "Our employees find helping people very rewarding," Eric adds. "Customers sense that and appreciate it. We acknowledge their importance with permanent full-time positions, a benefit package, as much salary as we can manage, and our respect and appreciation for their contribution to the business. There are small things we can do like offer a predictable work schedule. We don't want to needlessly disrupt people's lives and things like childcare."

"IF WE DON'T HAVE SOMETHING, BY THE NEXT WEEK WE DO. WE REACT TO NEW PRODUCTS FASTER AND DELIVER ON CUSTOMERS' WANTS."

-Eric Bowman, Owenhouse ACE Hardware



Compared to a larger, more corporate store, Owenhouse has systems in place that allow Eric to make decisions and implement changes quickly. "Each section has an employee who oversees the merchandise and can immediately order stock. That means that if we don't have something, by the next week we do. We react to new products faster and deliver on customers' wants."

Owenhouse ACE Hardware has had a remarkable longevity. In answer to what advice he would give to others looking at entering into a family business, Larry says, "That's hard to answer because all cases are different. Families can be the business's greatest strength, as in our case, or families can be the business's greatest challenge. Personal relationships flow over into business."

Larry continues, "At Owenhouse ACE Hardware, one of the reasons we have been able to transition though so many generations is due to our method

of transferring ownership. Ownership is transferred to the next generation at less than market value. For the new owner, this results in a financial situation that allows him or her to generate enough profit from the business to service that debt and still be able to pay for the daily business operational expenses. It takes money to make money and to keep up the property. Selling with favorable terms has placed Owenhouse Ace Hardware in a stronger position for generations."

As Larry summarizes, "You have to appreciate your employees. That's the key to making a business a success. It's human nature to focus on shortcomings and not strengths, but don't forget to see the good and appreciate it. Employees make it happen, and they make it happen every day." ■





“WE LEARNED GROWING UP THAT YOU DO WHAT YOU SAY. I THINK FAMILY PROVIDES AN INHERENT TRUST AND CONFIDENCE, AND WE BUILT UPON THAT BASE.”

~Jamie Bottcher, SBC



## SCHLAUCH BOTTCHER CONSTRUCTION (SBC)



Chad and Jamie Bottcher, brothers and owners of SBC, have always been close. Although Chad is four years older than Jamie, they grew up in a family in Wyoming where, as Chad describes, “everyone worked.” They shared the same friends, and during the summers they both worked in construction for the same contractor.

The brothers parted ways for a while when Chad completed his studies in architecture at Montana State University (MSU). Jamie soon followed to study civil engineering. In May 1996, Chad and Jamie, along with their father, Jim, were starting on their first project, a 5,000-square-foot home. Mike Schlauch joined them to head up office administration and contracts in 1997, and when Jamie graduated in December 1998, he became an equal partner with Chad and Mike. Over time and with retirements, Jim Bottcher and Mike Schlauch left the firm and Chad and Jamie Bottcher remain equal partners today.

Their niche is complex, well appointed, and distinctive custom luxury homes in many different architectural styles. How do their backgrounds—Chad’s degree in architecture and Jamie’s degree in civil engineering—play into their success? “We’re knowledgeable enough to be a pain,” jokes Chad.

Jamie adds, “Neither of us pursued licensing, but we’ve found that our backgrounds help us bridge gaps between architects, engineers, and the trades. It’s easier to find common ground and keep the teams unified so we get the best out of everybody’s contributions.”

“WE STARTED OUT VERY SIMPLY WITH A FOCUS ON **DOING A QUALITY JOB.**”

~ CHAD BOTTCHER, SBC



They agree that in the beginning their hopes were simple and they set out to just make a living and do a good job. Chad recalls, "We started out very simply with a focus on doing a quality job. Our mom was our office manager, and, in fact, she just retired five years ago. We liked being small enough for constant contact with the jobsite, and growth was through necessity."

The two didn't grow up in a family business, but family impacts them on a daily basis as far as how they do business. "We learned growing up that you do what you say," says Jamie. "I think family provides an inherent trust and confidence, and we built upon that base. We treat the rest of the team like family, and I think the trust and confidence in people that has its roots in family is infectious among the team. There's also a sense of responsibility that results from regarding people like family, where it is important to us to take care of the team and, in turn, we trust our team to do their part."

AMONG THE ADVANTAGES OF FAMILY BUSINESSES ARE COMMON VALUES: **STRONG COMMITMENT; LOYALTY; AND STABILITY.**  
NORTHERN IRELAND BUSINESS REVIEW COUNCIL

These common family values spill over into the Bottcher brothers' personal principles and approach to business. Says Chad, "A true moral compass and the Golden Rule are integral to who we are. We try to respect people and are fair. At the end of the day it is important to do what you say you are going to do."

The challenge of separating work from family life has evolved for them over time. "For the first eight to ten years with our parents also involved in SBC, family business took over the holidays and they were more like board meetings," Jamie recalls. "We tried not to talk about business, but it was still on our minds, and it took effort to be disciplined."

However, now that both brothers have children, their lifestyles have changed and during off-hours business mainly takes a backseat to the children's activities. "Whatever my family wants to do is what I want," says Chad. "We golf, and soccer takes up our time." Similarly for Jamie, his son is involved in hockey and his daughter likes crafts, and as a family they go "glamping" in the summer and in the winters they ski.

They have been in business together since the mid '90s, but Jamie and Chad agree that they still learn from one another. "We are constantly learning, and we try to set



"ULTIMATELY, STAYING ENGAGED AND PERSONAL IS PART OF THE COMPANY DNA."

-Jamie Bottcher, SBC

aside ten minutes every day to talk things over," says Chad. He adds that their communication has evolved through working so closely together. "It's almost like we speak our own language, plus many things go unsaid between us. Also, when we review what's going on, 99 percent of the time I find that Jamie and I handle things in exactly the same way. It makes it comfortable."

Jamie and Chad are resisting growing bigger, and find that the size of their firm better serves clients. Jamie explains, "Trust is important between contractors and clients, and we are small enough to get to know all our clients. One of us will be the client's main point of contact. By working closely with us they sense our integrity and commitment to give them a quality product for a fair value. We prove to them that we are spending their money as if it were our own. Ultimately, staying engaged and personal is part of the company DNA."

Planning for the future of a family business is always a concern, and Jamie says, "I suppose with any business that is your livelihood, you set long-term goals and plan out over a longer horizon. If any family members want to be involved we would support it, but we have no expectations to involve our children. We want our kids to make those decisions." Chad adds, "If you don't enjoy what you are doing, it's just a job."

Other people may consider going into a family business. Based on their success, what have they learned or could they recommend? Jamie considers this question and answers, "With family, it's easy to bring in previous relationships. To begin on a stronger footing, first and foremost, look into the mirror and see your own shortcomings and others' strengths. Everyone has strengths and weaknesses, and this builds mutual respect. Also, you have to keep an open mind, because however well you plan, you have to be ready to go through unexpected times together." ■

