

# Employees step up as founders retire

## Michigan Fluid Power puts succession plan in action.

**Jake Himmelspach**  
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As the founders of Michigan Fluid Power began to think about retirement, they realized they needed a plan in order to sustain the livelihood of the company's employees.

The company, which offers solutions, services and components in the fluid power industry, was founded in 1991 by Roger L. Betten Sr., David M. Grimm and Rodney R. Kowalski, and shortly after, Roger L. Betten Jr. came on board.

In the years since 1991, the company has grown to approximately 50 employees and \$17 million in sales.

"The three guys who ran the start of the company are getting closer to retirement, and we're passing it on to the next generation," said President David Grimm.

"The next generation is being given latitude and learning the business while we're still around."

In order to make the change, Grimm said it was important to empower each employee and have them take ownership of the company. To this end, employees were cross-trained in a plethora of positions.

"We're trying to well round all our employees — to understand all the functions of the company so they can appreciate what's happening with the company. The next generation that takes over, they'll be ready to handle the future of the

company," said Grimm.

The company also has eliminated managers in favor of a team concept, which makes a handful of team leaders responsible for their particular departments.

Another tactic the company implemented as part of its succession plan is open communication, culminating in weekly meetings that encourage sharing of ideas.

"Each individual person has a stake in the future of the company, because it's their future," said Grimm. "When us old dinosaurs retire, then the young kids have to be ready to step up in the world. The hard part for the old dinosaurs is stepping out of the way and letting the kids do their thing."

The succession plan got started last July after Grimm did some research to find out what worked and what didn't work for other companies. One of the first actions of implementing the succession plan was wiping the founders' names off the company sign. When asked how the plan was going, Grimm responded that it was going well — but "I hate it," he laughed.

"The great thing is that each division leader is excited to say, 'My future, my pay and how hard I work is totally up to me. Period,'" said Roger Betten Jr. "Each guy pushes the other because we're trying to grow (the company)."

As the "young kids" take over, technology has been incorporated with the more traditional techniques.

"I was absolutely convinced computers were a fad and they'd go away," said Grimm, whose iPhone sat on the table in front of him. "We encourage the new geeky gadget things the kids are coming



**MICHIGAN FLUID POWER management includes Dave Grimm, Roger Betten Jr., Rod Kowalski and Roger Betten Sr. Courtesy Michigan Fluid Power**

out with."

"One of my ideas was I was going to buy a Blackberry for each one of our salesmen," said Betten Jr. "(Grimm) and my father were totally dead set against it. Now I find them bragging."

Still, the company maintains its old-fashioned flavor.

"The bad thing about this whole new generation of gadgets is, you can very simply and quickly lose that customer touch, and we have gone out of our way to make sure

we never lose our customer touch," said Grimm.

"We do some of the things the old-fashioned way, because they still work."

In person follow-ups are one of the ways the company manages to keep in touch with customers.

"Every person in this building has customers," said Grimm. "I have customers. Not a lot of company presidents have customers, but I do because that's the only way you can stay in touch with

what reality is out there."

Since the implementation of the succession plan, the company has continued to grow, despite the hard economy, and Grimm points to what is at the heart of the company's success.

"The key to our success and what has helped us the most is we've chosen great people; we've empowered those people to help make those decisions; and we don't micromanage those people to make those decisions."