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INSIDE OREGON BUSINESS

A weekly look at businesses' strategic decisions

From loss to leadership

As generation change, the widows of company owners and founders increasingly are more likely to pick up where their husbands left off

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Karolyn Neupert was satisfied for most of her adult life to play a behind-the-scenes role while her husband, Karl, served as president of Consolidated Supply Co. and managed the family-owned company's 260 employees.

Neupert said her job was to accompany her husband to industry events, bake cookies for employees and handle "warm and fuzzy stuff," such as talking with staff members about their children and grandchildren. She was the mother hen to Karl's autocratic ruler.

Everything changed in December 2002, when Karl was diagnosed with pancreatic cancer and, 10 days later, died. It was a devastating moment for Karolyn Neupert.

"We lived an eternal love affair," she said of her marriage to Karl. "We adored each other from when we were teenagers."

But Neupert didn't have time to grieve quietly in private. She suddenly found herself at the head of a company selling pipes and plumbing fixtures wholesale -- not only stepping forward at an especially difficult time, but doing so as a woman in a traditionally male-dominated industry.

So Neupert made an office for herself at the company's Tigard headquarters and dove in.

Buoyed by the housing boom, Consolidated Supply has done very well since then. But with interest rates rising and the housing market starting to slow this year, Neupert knows tougher days are ahead.

After what they've already been through, Neupert said she is confident both she and the company will find ways to survive. "If there is a will, you can do anything," she said.

Neupert's situation is increasingly common in the world of business.

The widow of a company founder or owner is more likely to take control now than at any time in the past, said Maryann Billington of The Concours Group, an executive consulting firm in Massachusetts. That's because women

are playing an ever-more-important role in business, while the generation currently running most old-line businesses tends to be male-oriented. As the generations change, the genders often change.

"In the past, if the owner passed away it would go to a son or a chosen male successor," Billington said. "The wife was less likely to be involved."



Karolyn Neupert, chairwoman of Consolidated Supply Co., shows off some of the shower heads her company sells wholesale. Neupert is among a growing number of women business owners who assumed senior positions after their husbands died.

The MassMutual Financial Group found in a 2003 survey that while fewer than 10 percent of small business employees reported a female chief executive, 34 percent expected their next chief executive to be a woman.

In Neupert's case, she quickly opted to change the operational structure at Consolidated Supply while preserving the overall vision of her husband, who had been a third-generation owner. She also decided to use her strengths and her own personality, rather than try to emulate Karl Neupert's management style.

"I believe in my people skills," she said. "When you exude a belief in yourself, people follow you."

Karolyn Neupert charged an executive committee with mapping out strategies to set and meet company goals. She supported her husband's decision, finalized on his hospital bed, to promote Jeff Konen, vice president of purchasing, to company president while she remained majority owner and chairwoman. And she began to institute and spell out the management practices her husband had kept mainly in his head. "I knew that this company needed a strategic plan,"

she said. "I lobbied with those who said we could do this on a matchbook." So far, at least, the changes have been productive. Although Neupert and other executives won't divulge specific numbers, they say annual sales in 2003 and 2004 were the highest in the company's history, topping \$100 million.

With the housing industry wind no longer at their backs, company executives say, they are now working to build relationships with customers so that Consolidated Supply will be the first choice in a smaller market.

Rick Johnson, a Florida-based business consultant hired by Neupert after her husband's death, anticipates continued sales growth, partly because of the collaborative spirit the chairwoman has instilled. "It had been a one-man vision," Johnson said of the company. "She made it into something where everyone's contributing."

Neupert said she got key advice from another prominent local woman who took over a family business, Gert Boyle, chairwoman of Columbia Sportswear Co. Boyle took over Columbia after her husband, Neal, died suddenly in 1970.

At a lunch last spring, Neupert said, Boyle told her to trust herself as she reshaped the company. "She said, 'Honey, you stand by your convictions,'" Neupert recounted. "Don't let anyone put tracks on your back."

Boyle adopted the role as "Mother Boyle" in a successful advertising campaign and took Columbia public in 1998. Sales in 2004 were nearly \$1.1 billion.

Catherine Mater also knows what Neupert went through. Mater became president of Mater Engineering of Corvallis when her husband died in December 2002, two months after being diagnosed with cancer. Mater said the most difficult thing was remaining focused in a demanding job -- the company, with 10 employees, is a consultant to the timber industry -- while dealing with overwhelming grief.

"I didn't just lose a partner, I lost someone who I bounced everything off," said Mater. "But Mater women don't quit. We hurt tremendously, but we don't quit."

Neupert didn't quit, either. She took a small inside office, not one of the executive offices with outside windows, and decorated hers with images of hens. "Hens are clean, smart, proud and protective," she said. "That's what I seek to be."

She is attempting to change the tone of the company beyond office decor -- seeking to make it a warmer place to work -- while trying to make explicit the management system that her husband had largely kept in his head.

Karl Neupert was a tough manager, people worked for him say, known for grilling employees on difficult questions and openly expressing doubts when he thought they had the wrong answers. People went to meetings with him prepared to field 20 questions on the topic they were presenting, said Dick Lindeman, who retired from Consolidated in February after 39 years at the company.

"He'd say, 'I bet you a milkshake that you're wrong,'" Lindeman said. "He ended up buying a lot more milkshakes than anyone else."

These days, Karolyn Neupert is the reverse. Her goal, she said, is to make employees feel safe and respected. "The more you put your arms around people, the more successful they'll be," said Neupert, who signs her e-mails MH, for Mother Hen.

"She bakes us cookies," said Tim Wehrley an operations manager for Consolidated Supply. "She's helping us move from being a good company to a great company."

Mark Green, the director of the Austin Family Business Program at Oregon State University, calls Neupert the "chief emotional officer."

"She's the mom," he said. "That's the role she picked for herself."

She's literally a mother of two company vice presidents, Kevin Neupert and Karla Neupert Hockley.

Kevin Neupert said his father kept a lot of the company's inner workings to himself, while his mother tends to be more inclusive with information.

"He had all the strings and kept the cards close to his chest," Neupert said.

The company's "mother hen," meanwhile, said she just can't run a company the same way her husband

did. She has a different style.

But the woman who finished the Boston marathon in 3 hours and 18 minutes at age 41 said she's confident her stick-to-it-ness and her style will do just fine in the long run.

"I knew we no longer had our visionary," she said of Karl. Going forward, she said, "I had to shape the future."



Andrew Hafner stands on an "order picker" to stock storage shelves at Consolidated Supply Co. The company is based in Tigard, but also maintains showrooms in Washington, Idaho and Hawaii.