

**Oral History Interview\***

Robert "Buzz" Kersman

Conducted and Transcribed by:

Ryan Harvey

Edited by:

Robert Kersman

July 26, 1994  
10:00 a.m.

\*Due to technical problems, the first half of this interview was lost. A brief summary of the unrecorded information is provided.

Robert Lorin "Buzz" Kersman was born in 1939 and has lived in the Muskegon area since birth. He attended William and Mary College for his undergraduate study. Upon graduation, he served two years in the military then returned home to work in the family business. After a year of working, he purchased one of the family businesses through a loan his father gave him. He repaid the loan in three years. He presently is president and sole owner of Lorin Industries and Kersco Inc. In 1981 after seeing the Scanlon Plan in action at the Donnelly Corporation, Mr. Kersman began the Scanlon Plan at Kersco as a means to reward his employees. In 1985, the Plan was initiated at Lorin as well.

RH- I'll go on to the next question. What do you see as the future of the Scanlon Plan at Lorin and in American industry?

RK- For Lorin, it's part of the way we run the business. So, we have no question about continuing it, improving it. As far as American industry, I think it's the best kept secret. It's too bad there aren't more companies that are employing it. I think we're seeing a trend, not a big enough one, but a trend of more interest in the Scanlon Plan. That's an area I'm working on with the board. We feel we've got a message that we need to get out, and get more companies involved. Not only would it be good for their companies, but SPA members learn every time they get another new company that joins our association. Everybody runs their business a little different. There's value in looking at new and different ways to do things.

RH- Since the tape probably missed most of the first questions, maybe you could summarize again what the Scanlon Plan has meant to your company?

RK- As I mentioned, we probably went into this thing looking at equity. As you gain experience, you find out that the other principles are more important. If you do things right, then a bonus for the employees, or the productivity, or better earning that the company would like to have, will come. Dwane Baumgardener of Donnelly Mirror feels that probably one of the key ones is

identity. I agree with him. If you very clearly know the direction you're going, then it's easy for people to participate. Then, it also gives you guidance as to what kind of competency you need. That first principle of identity is a very important one that we always have to review. Is our company headed in the right direction? Does everybody understand? I found that once they do, they'll give you 150%, but you have to give that clear message.

RH- Can you think of any examples in your company of the principles in action?

RK- We've been involved in the last five years in new products. One of our first attempts was an automotive product that we weren't sure the market wanted it. Technically, we didn't have all the answers. We struggled for four years with a clear direction. It was very difficult to get Lorin people to do things. We have been very successful in the electronics industry where it was very clear that we had a product that the market needed. We technically had things under control. It's just amazing how the whole organization, without a lot of pushing and prodding, got behind it and made it a success. I guess, looking at those two examples, it's back to that identity principle. We didn't do a very good job on the first one, but the second one we did a very good job, and we had a lot of success.

RH- How have you seen the market and your business change over the

past twenty years?

RK- Recently, quality is the main thrust. I think everybody now has to take a global look. There are not just the Japanese, but all of the Asian countries are intently working on producing products, high quality products. I think we can, in this country, be a contender. We just have to be more conscious of the needs of the customers. I feel very confident that it's happening.

RH- Have you you seen any changes in the general business climate of West Michigan over the years?

RK- I think West Michigan is one of the finer manufacturing areas in the whole United States. We're related to the automotive industry. It's been a big struggle there that's reflected on some of our lack of progress. I think we've come through a bad period. I don't think it's going to be any easier, but I think we're now prepared to deal with problems better than we have in the past.

RH- Have you been able to break into any international markets?

RK- The electronics that I mentioned to you. Probably 70% of our market is in Asia. We're there and our products are very highly thought of. We are a contender.

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

it?

RK- Better than. We had no idea we would be growing as fast as we are right now. So, we're riding high and enjoying it. There's a lot of problems with growth. Maybe it's faster than I want. We've borrowed a lot of money, but we have confidence that we can do it.

RH- What course do you see Lorin taking in the future?

RK- We're a service business, and we have done much to be proactive in new product development. I see that as a major thing. We want to be in the market place, finding opportunities, and capitalizing on those; rather than having somebody come to us. It gives us more ownership. If we can be there first, then there's better opportunity to get a bigger market share, and make more money.

RH- Are there any new products on the horizon?

RK- We're currently enjoying the electronics business. We see some other things that may come out of that. We have just a couple products, and we think there will be more products because that business changes so fast....a lot of opportunities there. Also, we've never been in the aerospace, and we've had several companies come to us with some opportunities there. So, we'll be working in that. The automotive that we bombed out on, now the auto industry

is taking a second look at it seven years later. We're involved with aluminum, and aluminum makes lighter cars. Even though it's more expensive, they can reduce a lot of their other needs. You don't need as much horsepower. So we may have some opportunities there that we haven't had before.

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

RK- I've always been in the manufacturing business, and small business. I think it's a great place to be, and I think there's still a lot of opportunities. So I would encourage somebody to try their hand at business. I think that's what's made this country great, and I'm hoping the generation coming along is going to have an interest because if we don't, this country will die. I don't think we can survive on the likes of IBM, and Xerox, and General Motors. We've seen the problems recently that they have. It's more small businesses that need to come along.

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

RK- I don't think so. It's the variety of things you have to do. You make mistakes and you learn from those mistakes. I think the education I've had in thirty years has been an invaluable one. I don't know that I'd do it any different.

RH- Do you think there's any difference in the work ethic of West Michigan, and if so has it helped Lorin?

RK- We've had our particular problems here in Muskegon, but the work force Lorin has is very good. I think western Michigan on an overall is a very good area. The proof is in the pudding. You look at all of the successful companies. You can't force it. You have to have people that are interested and will cooperate to help you get the job done. So, it's obvious that there are good people out there.

RH- In your own words what is Lorin's mission statement?

RK- Our mission statement is that in the areas of coil anodizing that we are marketing, we want to be the number one or number two contender in the world.

RH- Well, that's all of my questions unless you would like to add something.....Okay...thanks.