

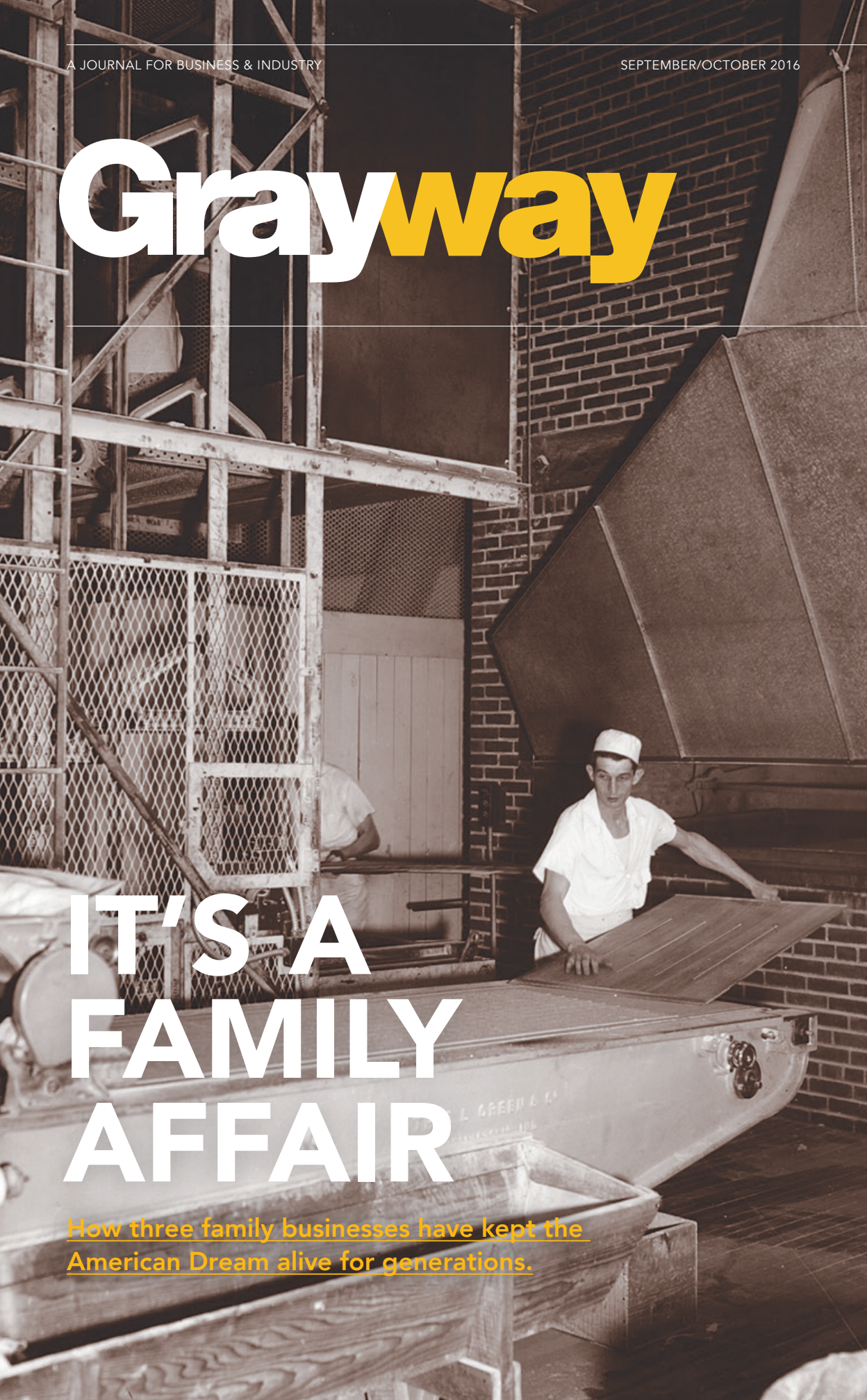
A JOURNAL FOR BUSINESS & INDUSTRY

SEPTEMBER/OCTOBER 2016

Grayway

IT'S A FAMILY AFFAIR

How three family businesses have kept the
American Dream alive for generations.



WELCOME



Stephen Gray
President &
Chief Executive Officer

Running and growing a family business is no easy task—my brothers, sisters and I can attest to that firsthand. But what would America be without the scores of families who have taken on this challenge, pushed through, and succeeded?

In this issue of the GrayWay, we highlight three American family businesses— Clemens Food Group, Richmond Baking and Ruggles Sign—whose business models have stood the test of time for generations. A common thread to their success: upholding the core values put into place by their founders, like ethics, integrity and treating employees like family.

This is something we at Gray Construction place great emphasis on as well. In fact, when Mother and Dad founded our company in 1960, they knew that if we stuck to our number one core value—The Golden Rule, or treating others the way you want to be treated—success would be inevitable.

Read on for more about how these three dynamic American families kept their American Dream alive.



Cover: Early 20th-century
photograph of a baker at
Richmond Baking Company.
Page 4

*Gray practices methods
which protect our environment.*

A FAMILY TRADITION

INSIDE THIS ISSUE



ALL IN THE FAMILY

Clemens Food Group Finds Key Ingredient to Maintaining a Family-Owned and Operated Business



MORE THAN A BAKERY

Maintaining Integrity as a Core Value Vital to Richmond Baking's Success



BEATING THE ODDS

Ruggles Family Maintains Ownership of Thriving Signage Company Despite Generation Gap



THE NEW FACE OF MANUFACTURING

Madeline and Abigail Clemens Discuss What It's Like to Grow Up in a Family Business



GRAY... WE'RE BUILDING

Thai Summit Corporation
Bardstown, KY.



ALL IN THE FAMILY

Clemens Food Group Finds Key Ingredient to Maintaining a Family-Owned and Operated Business

In 1895, John C. Clemens took a wagon of livestock from his pig farm in Mainland, Pennsylvania, to market in Philadelphia, marking the Clemens family's entry into the pork processing business. By 1930, he incorporated the Pleasant Valley Packing Company and brought two of his sons into the business—who eventually purchased it from him.

One fateful evening, a fire broke out at the packing company, burning it to the ground. But instead of cutting their losses and moving on, the Clemens brothers—who inherited their father's entrepreneurial spirit—bought the Hatfield Packing Company and expanded the family business.

Four generations later, Clemens Food Group is now one of the leading pork processing companies in the U.S., offering hog farming, food production, logistical services, and transportation services.

The company has changed a lot in that time, but one thing has remained the same: descendants of John C. Clemens—the pig farmer from Mainland, Pennsylvania—still own and operate the company. What's more, the core values set forth by John C. Clemens over 120 years ago—integrity, ethics and stewardship—remain deeply rooted in the company today.

Doug Clemens, the great grandson of John C. Clemens, serves as the company's chief executive and sits on the Board

of Directors. Some 300 members of the Clemens family are shareholders in the company, spanning in age from 2 months to 98 years. The company employs over 2,000 people and markets seven brands of consumer products and other services.

Keeping a growing and successful business in the family is a remarkable feat, to say the least, but it hasn't been easy. In fact, according to Doug Clemens, the company went through a significant reorganization in 2000 to address growing pains of the family business head on.

"We made a conscious decision to separate the family from the business and the business from the family," said Doug. "We transitioned from a 'family business' to a 'business family.' What does that mean? We said the business is very important, and the family is very important, but they need be individually



Doug Clemens
Chief Executive Officer
Clemens Food Group

focused—they cannot be meshed together as many family businesses are."

One of the first things they did to refocus the company was moving to an outside, non-family-member majority on the Board of Directors.

"Since we did that, our returns have been much greater than they were in the previous decades," said Doug.

Another significant change was putting into place a policy that discourages automatic placement of family members into jobs at the company.

"Our requirement is that if you choose to have a career in the business, you must work outside the business for a minimum of three years," explained Doug. "We wanted to avoid a sense of entitlement, but we also wanted people to have other experiences in other businesses that hopefully they could bring back here and make us better."

For family-owned and operated businesses that would like to remain that way, Doug says it's crucial to emphasize the importance of the family and the importance of the business separately.

"I have given this advice to others. The best thing we did was to place importance on the family, period, and place importance of the business, period, and to make sure that those two don't cross over. At first, it was difficult to separate them, but I think now we've proven that it works."

MORE THAN A BAKERY

Maintaining integrity as a core value has been vital to Richmond Baking's success



In 1902, William H. Quigg joined a group of investors to purchase a Richmond, Indiana-based bakery. He became the company's general manager, and renamed it Richmond Baking. Little did Mr. Quigg know that he was embarking on a business venture that would span four generations, and eventually become the oldest family-owned cookie and cracker maker in the country.

The Quiggs have provided leadership for the company since its inception, and while they receive offers for buyouts on a regular basis, the family has no intention of selling in the foreseeable future. In fact, it is the full intention of the company's shareholders to prime the fifth generation of Quiggs—who span from 18-months to 17-years-old—to take over the company when they come of age.

Today, the husband-and-wife team of Bill and Felicia Quigg head up the company's executive team: Bill serves as president of the company, and Felicia as vice president of Family Pride—or its human resources arm. The company employs over 350 "family members" at its two bakeries: the original branch in Richmond, and a new facility in Alma, Georgia.

While the company's employees are not technically members of the Quigg family, Felicia says it's how they are referred to within the company, reflecting the emphasis on family values, culture and tradition.



Felicia Quigg
Vice President,
Family Pride
Richmond Baking Co.

"We are clearly a family business, and we pride ourselves on treating everyone like family. We spend more time with each other than anybody else, and so our thought is, if you treat the people you work with like family, we're going to look out for each other, we're going to make sure we keep each other safe—it's just an overall culture thing," said Felicia.

While he may not have known it at the time, William Quigg's enormous emphasis on integrity would become a core value passed down from generation to generation of Quiggs who have provided leadership for the company.

"We are clearly a family business, and we pride ourselves on treating everyone like family"

—Felicia Quigg

"We talk a lot about integrity in our vision and mission statement and in meetings, we use it as a lens to address issues, whether it's problem-solving something we're about to do, or to control performance issues. That's a very big guiding principal," said Felicia.

And when competition heats up or market conditions change, Bill and Felicia believe a family-owned business offers a distinct advantage.

"Being family-owned is a unique characteristic to our customer base, and offers flexibility that very large multi-billion-dollar companies really can't provide," said Bill. "We have the ability to invest in a longer-term perspective with customers that larger transaction-based companies may not be able or willing to do."



Bill Quigg
President
Richmond Baking Co.

The Quiggs' vision for the company is to be "more than a bakery," but a place where people can have lasting, fruitful careers in a family-oriented environment.

"We are Richmond Baking by name but, locally, we are termed 'more than a bakery' because we really want to make sure that our company is not just the same place where you get a paycheck or where you can buy a cookie," explained Bill. "It's more than that—it's where you spend your career. It's where you make lasting friendships. It's where you're part of the family."



BEATING THE ODDS

Ruggles Family Maintains Ownership of Thriving Signage Company Despite Generation Gap

JOHN F. RUGGLES, JR. WAS STUDYING AT THE UNIVERSITY OF KENTUCKY TO BECOME AN ATTORNEY when he left to work at his father's painting and wallpapering business in Corbin, Kentucky. He became interested in the sign-making business and decided to go to school to learn the neon tube bending trade. As fate would have it, a hailstorm ripped through Kentucky, damaging numerous signs. Recognizing the enormous opportunity in front of him, he left school and started a sign-making business in 1946.

Ruggles Sign has come a long way since its humble beginnings as a one-man shop in a small town. Today, the company operates a 160,000 s.f. facility in Versailles, Kentucky, and manufactures custom signage for companies across the globe.

And it didn't take a company buyout to realize this success. In fact, Ruggles Sign persevered as a family-owned and operated business, even when John Ruggles' two children opted out of becoming involved in the business.

How?

According to Tim Cambron—the company's current president who is married to the founder's granddaughter, Anna, who is also the company's chief financial officer—it all comes down to family pride.

"We are a third-generation company but there was a generation skip," Tim explained. "John Ruggles had two kids: one was Anna's mother who was a school teacher; and another son who lived in Florida and worked in the medical field. Neither one of them had interest in the business."

"So John hung around, running the business until he was in his 70s. He had a lot of pride and was a really good guy. He thought someone in the family would eventually come along to take the business over."



Tim and Anna Cambron
President and Chief
Financial Officer
Ruggles Sign



Ruggles Sign's 160,000 s.f. manufacturing facility in Versailles, Kentucky offers complete in-house capabilities for all types of signs.

Anna joined the family business in 1985 and brought in Tim shortly thereafter. After spending some time at the company, both expressed an interest in pursuing other opportunities, but John would have nothing of it.

"We tried to tender our resignation but he wouldn't take it," said Tim. "He just said, 'Well, it's interesting you say that. Why don't you hang with me a little longer and we'll find a niche and everything will be okay? Guess what, within six months, our thinking had changed. We did find a niche and everything is alright.'"

That niche was expanding to provide professional signage to national retail customers across the country, and the world. Household brands like Nike, Victoria Secret and Under Armour don the company's impressive list of customers.

After 50 years in the industry, John Ruggles continued to stop by almost daily to check on operations until his death in 2001. He once reflected back on his career in the sign business: "I have enjoyed the sign business; I don't know if I would have been a good lawyer."

"We have the largest and best staff we've ever had, and we pride ourselves on truly having a family here."

—Tim Cambron

Tim says being family-owned doesn't necessarily give them a competitive edge as far as business is concerned, but when it comes to employees, it's a significant advantage.

"We have the largest and best staff we've ever had, and we pride ourselves on truly having a family here. When one of our employees has a problem, we have a problem, so we'll try to help them. As far as retaining employees and keeping a good workforce is concerned, I think the family aspect is huge."

THE NEW FACE OF MANUFACTURING

Twin sisters Madeline and Abigail Clemens discuss what it's like to grow up in a family business.

What are the benefits of growing up in an entrepreneurial family?

Abigail: Growing up in an entrepreneurial family has taught me to work extra hard in order to not allow anyone to look at me and say I was entitled or have taken anything for granted. It has inspired me to make a difference, especially looking back on my great-great grandfather's legacy—beginning with hauling a pig to Philadelphia by cart and back and observing generations later what it has become. It certainly inspires me to make a lasting legacy in some small way that can allow me to contribute to the needs of my community.

Why do you believe your family has been able to sustain and grow a successful business for so long?

Abigail: I believe my family has been able to make the tough decisions along the way that places the success of the business above personal gains, something that many family businesses have been unable to do. Family relationships certainly add both great rewards and great tensions, whether things are going great or not, it is important to not let those relationships get in the way of the success of the business as a whole. It is important to never forget the impact the business not only has had on our family, but on the community, providing thousands of jobs and benefits to hardworking people and sustaining communities for generations.

Have you ever worked in or helped support the family business?

Madeline: Yes, for the past five summers, I have been fortunate enough to either intern or work for my family's business, Clemens Food Group. Following my freshman year of college, I decided to intern with the HR department of Clemens during the summer, hoping to gain some insight into whether or not a career in the business would be something I would be interested in pursuing post college. During my employment with Clemens, I have gained incredible experience that most people my age would not yet have received.

Do you have interest in playing a role in the family business in the future?

Madeline: If my future career path, work experiences, and skills would be an asset to the family business, I would absolutely be interested in playing a role at Clemens Food Group. However, while using my skills to contribute to the success of the family business would be ideal, if my interests and passions are not matched with a career in the business, growing up and working for Clemens Food Group has cultivated my professional growth, leadership skills, and confidence in my abilities to pursue anything I set my heart and mind to.



Abigail Clemens (left) and Madeline Clemens (right)



GRAY... WE'RE BUILDING

THAI SUMMIT AMERICA CORPORATION

BARDSTOWN, KY.

Gray has been selected by Thai Summit America Corporation to build its third facility in North America on an 82-acre site in Bardstown, Ky. The automotive part manufacturing facility will be Kentucky's first Thai-owned manufacturing operation. The new location, which will produce stamped and welded aluminum assemblies for the Ford Truck plant in Louisville, is expected to initially create 110 jobs; this figure could double over time.

The plant is expected to become operational in January of 2017.

Thai Summit America Corporation is a member of Thai Summit Autoparts Group (TSA) headquartered in Bangkok, Thailand. Founded by the Juangroongruangkit family in 1977, Thai Summit Autoparts has grown from one local seat producer to a global automotive manufacturer of body-in-white sub-assemblies, wiring harnesses, frames and interior components.



10 Quality Street
Lexington, KY 40507-1450, USA
T 859.281.5000

Alabama, California, Kentucky,
North Carolina and Tokyo, Japan

www.gray.com