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NEXT GENERATION:

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By Sharon M. Bueno



Sauereisen's management team.

(L-R): Karl Sauereisen, Vice President; Bill Welsh, Plant Manager; Lake Barrett, Sales Manager; Greg Maloney, Materials Manager; Maureen Bankert, Accounting Manager; Eric Sauereisen, President. Missing: Gary Hall, Manager of Organic Technology

ROOTED IN HISTORY THAT DATES BACK TO THE 1800S, **SAUEREISEN HAS STOOD THE TEST OF TIME:** TIME THAT HAS PROVIDED THE CORROSION-RESISTANT MATERIALS AND SPECIALTY CEMENT COMPANY WITH LEADERSHIP CHANGES, NEW PRODUCTS AND NEW MARKETS TO GROW INTO.

Sauereisen Inc.

was built from the ground up in the heart of western Pennsylvania in the epicenter of the steel and ceramics industries, namely the City of Pittsburgh. Mirroring its blue-collar and hard-working community, the company has seen its fortunes rise from the creativity, technical knowledge and strength of its workers.

The company was founded by C. Fred Sauereisen when he was just 16 years old. Early on, he sold a patent for a ceramic insulator design as seed money to get his business off the ground. But as you will see below, this is not your typical family-run business. Major expansion over the years was guided by non-family leadership as the second

and third generations were growing up, preparing for their time as company stewards.

Over the years, acquisitions of Ameron International's Nu-Kem product line (1981), Coatings Composites (1992) and Pocono Fabricators (2009) forged new opportunities for the company, introducing it to polymers, sulfur-based compounds and epoxies, and other products and technologies.

Today, Sauereisen is housed in a state-of-the-art, 64,000-sq ft plant and warehouse in the same city in which it was founded. The company serves multiple markets with its corrosion-resistant materials and specialty cements such as the power and chemical processing sectors but made its market in the wastewater market beginning in the mid-

1970s — becoming one of the first companies to jump into rehabilitating aging manholes and collection systems.

Led by its third generation since 2003, Sauereisen leaders are cognizant of the legacy with which they are entrusted. “Our belief is that anything we do today will affect our business tomorrow, in five years, 10 years or in our case, even a generation. It’s got to be good enough to have your name on it,” says Eric Sauereisen, company president and grandson of its founder.

THE BEGINNING

The company’s roots date back to 1899 when C. Fred Sauereisen — at the age of 16 — formulated his first specialty adhesive product. Sauereisen Cements Co., as it was called then, supplied ceramic-based adhesives and potting compounds resistant to temperature as high as 3,000 F. Of note, this product — called Insa-Lute Adhesive Cement No. 1 — remains a part of the company’s product line today for products specified for the assembly and sealing of electrical parts such as heating elements, resistors and specialty lamps.

The company home has always been Pittsburgh, giving the global manufacturer that smaller city feel. C. Fred Sauereisen — a self-taught ceramic engineer and entrepreneur — led the company through numerous market expansions during his tenure, including the transition in the 1950s to supplying construction materials. This was the result of leveraging certain properties of the ceramic adhesives specifically resistant to high temperatures and concentrated acids.

One of the company’s major expansions occurred during the 1980s and 1990s with its introduction of organic product chemistries for coatings and linings. This propelled Sauereisen within the wastewater market, opening avenues of opportunity that allowed the company to emerge as one of the first to enter into the manhole and trenchless markets.

“During those years, Sauereisen penetrated the municipal wastewater market by combining cement-based underlayments with impermeable epoxy topcoats to function as comprehensive restoration systems,” says C. Karl Sauereisen, company vice president and director and grandson of its founder.

Some of the first installations of Sauereisen’s Corrosion-Clad Polymer Lining, later renamed SewerGard No. 210, occurred in manholes and lift stations along the U.S. Gulf Coast in the early 1980s. Subsequent versions of SewerGard No. 210 have been introduced to accommodate various methods of application including trowel, traditional airless spray, spincasting and plural component spraying.

NON— FAMILY LEADERSHIP

Sauereisen is not your traditional family-owned and operated business. When you think of most family businesses, you envision the oldest child sitting on the corner of his father’s desk, learning the business inside and out and biding his or her time before taking hold of the reins. The succession is then repeated to the next generation and so on. Not so for Sauereisen, even though all three of the founder’s sons — Phil, Will and Ferd — followed C. Fred into the business.

“The boys were born after Fred and his wife, Marion, were both in their 40s. Consequently, non-family leadership became a key element of the business’ operation dur-

ing the transition between generations,” explains C. Karl Sauereisen, son of Will. “Likewise, a professional management team was in place upon the third generation’s entry into the business.”

Today, the third generation of Sauereisen is represented by cousins C. Karl Sauereisen and Eric Sauereisen, son of Ferd and company president.

“This was probably fairly radical at the time, considering handing over the helm to a non-family member but that’s what occurred here,” Eric Sauereisen says, noting that the company returned to the family fold in 2003, when he became president. “We’ve been in business since 1899 and if you look at our time line, it involves important non-family management as decision-makers.”

What is interesting about Sauereisen is that a position within the company wasn’t an automatic option. The Sauereisen children were not granted anything and had to earn their way into the business by seeking employment outside of their family’s. “There’s an unwritten rule with our family about working at Sauereisen,” Eric Sauereisen says. “You have to have your college degree and a minimum of three years of relative work experience. And there has to be a position open in the company. We are a relatively small business and we can’t afford to just create positions.”

In the case of Eric Sauereisen, he cut his teeth working in engineering-based sales for a coatings and corrosion protection company that eventually became a competitor of his family business. He joined Sauereisen in 1990 as a sales and marketing specialist. He was named company president in 2003, taking over for Patrick Connell.

C. Fred Sauereisen passed away in 1965, depriving him of the chance to see the extraordinary growth the company enjoys today. His three sons got to experience the company success. Phil passed on in 2001 but Will and Ferd remain a respected presence to the company their father started. “They are fortunate to see succession of the business onto another family member,” Eric Sauereisen. “They have been a tremendous resource even though they stepped away from the day-to-day business. They have been exceptionally respectful of the next generation of leadership. They are that type of person and the talent is here and that’s what makes our job easier. We have this base of knowledge.”



WASTEWATER MARKET

The first project Sauereisen worked on in the wastewater market was in 1974 at Disneyworld and even then they had no

Sauereisen was one of the first companies to see the potential of the manhole market.





Model applications of Sauereisen products (l-r): Gary Hall, Eric Sauereisen and Lake Barrett.

idea that this would lead to such a successful expansion of the business. Sauereisen manager of organic technology Gary Hall has been with the company since 1968 and remembers that first sewer project.

“We got a call from a sanitation engineer there, telling us that the acids from the food and pop materials going down their sewers were corroding the lines,” Hall says. “Patrick Connell and I went down to look at it and we determined the lines were being corroded but it wasn’t from what they thought — it was microbially induced corrosion. That was our first experience in the wastewater market.”

Hall says that after that job, Sauereisen, and himself particularly, began investigating the potential of the wastewater market and how the company could capitalize on it. “What we found was that there was a lot of potential in not only treatment plants but in the collection systems,” Hall says. “In investigating the drains and collection side of things, we found that manholes were a large portion that market, that there is a manhole for about every 400 ft of sewer pipe in the United States and the last estimate of sewer pipe was several million miles.

“We began to investigate what areas of the country had the issues and what the problems were,” Hall continues. “From all of that and more, we determined that we needed to develop new products to accommodate the manhole market. From there, one thing led to another and that’s how we started out in pipelines.

Hall, a chemist who has spent the majority of his career in the lab, is a walking history book when it comes to Sauereisen’s mark in the trenchless market. He remembers how the new products were developed and marketed, as well as the period of time when Sauereisen was alone in its pursuit of this new coatings market. “At the time, we were really the only ones in that market,” Hall says. “Pat [Connell] made a prediction at the time that within a year, there would be at least five competitors. He was off by a factor of 10. We had about 50 competitors within a year and 10 years later, there 250 competitors. We enjoyed a few years of being essentially the only company out there but those days are long gone.”

As a result of this emerging market, Sauereisen went into overdrive and developed new products to address the manhole needs. But what they found was that before their coating products could be applied, that in an overwhelming majority of cases, the entire manhole needed repaired. “It was rare that we would go into a manhole and find the concrete mildly corroded,” Hall says. “It was even rarer that brand new manholes would be protected. What we found was that the concrete was so corroded that it needed to be restored or that if it was a brick-and-mortar manhole, pieces of the brick or whole sections of brick were missing or caved in.”

Sauereisen developed cementitious-based products to repair the concrete and brick-and-mortar manholes and also developed different ways to apply them — trowel-applied, spincast, gunited and spray-on. “From there, we developed a line of organic coatings to go over top of that,” Hall says.

SECRET TO SUCCESS

When you ask a company what makes them different or successful, credit usually goes to the people who work for it. Sauereisen is no dif-

ferent and Eric Sauereisen says it is the employees’ experience and technical knowledge that sets them apart from their competitors.

“Our success is within our attention to detail and the depth of solutions and forward-thinking leadership,” says Sauereisen sales manager Lake Barrett. “The approach in each of the different markets we serve is the same we have in wastewater — finding the solution to a customer’s problem. As we are aware in any market, there is not one product that is a silver bullet for all applications. There can be common issues but each challenge can be unique and it’s the understanding of all the variables that lead to the optimum solution. It is these attentions to detail where you educate the consumer, provide proven solutions and people come back.”

Eric Sauereisen concurs, adding, “After a hundred-odd years, you segue from a family company to company family. It’s this concierge level of attention, technical detail and education that we provide that makes us different. We would assume most companies continually invest in innovation and this is a high priority here. That same history also allows us to share with customers our experience in what we’ve seen work and also not work.”

Sauereisen is proud of its R&D work and the creativity that pulls together the next great product or technology. “We analyze and investigate the market and decide whether we have the products to go forth. If we don’t, we decide what products we need to develop to go forward and we proceed from there,” Hall says.

FUTURE PLANS

The recession of 2008 took its toll on most companies, with Sauereisen being no different. Company leadership credits its diversity in other industries, such as power, chemical processing, food and beverage, and others. “We are probably best known for manholes but it’s not just about manholes for us,” Barrett says. “We get involved in all aspects of the wastewater treatment plant operations, combined sewer overflows, wet wells, etc.”

Eric Sauereisen says customers are still experiencing a high amount of uncertainty with the market, making the willingness to invest difficult. “We see the public works sector as a very competitive market but also very fragmented,” he says. “We are seeing a better educated audience than in the past. People are learning more and we are learning more. Access to information is easier. The overall education is far more improved today than it had been in the past.”

To that end, Sauereisen is preparing itself for today’s customer, as well as those potential customers, positioning it to be the place end users come to when they need solutions. “What does the future hold? Continued improvement and that is on all aspects of our business — manufacturing techniques, materials development, customers,” Eric Sauereisen says. “We’d be pretty ignorant to think our work is ever completed on those fronts. Anything we do today absolutely will affect our business tomorrow. We’ve proven that through the multiple generations of folks who have been through our doors.”

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160 Gamma Drive, Pittsburgh, PA 15238-2989

Phone: 412.963.0303 • Fax: 412.963.7620

Email: questions@sauereisen.com • Web: www.sauereisen.com