

Listening to the Customer

In a corporate climate,
this family business thrives.

BY GARY GENGOZIAN



“I tell my sons, ‘don’t think you can do what your dad has done,’” says Royal Coulter, president, chief executive officer, and third-generation patriarch of one of the nation’s largest family-owned hauling companies. Propelled by a volatile market, new government regulations, and companies eager to “cash in,” Peoria Disposal Co. grew from a \$1.5 million hauling company in 1980 into what is now a \$75 million corporation of 17 different companies operating in 10 Midwestern states.

“The industry was in a growth spurt back in the 1980s and ’90s,” Coulter explains. “What Dean Buntrock did at the time, putting together Waste Management, changed the industry. People were throwing a lot of money around, new regulations were driving up the cost of doing business, and for the smaller guys selling out was the thing to do. We were in the right place at the right time to grow the business.”

“The industry is more stable today,” Coulter continues, “so it’s not as crazy as it was. For our company and where we’re located, I still see a lot of opportunity to grow and diversify the business. We do have opportunities if we listen to the voice of our customers and find new ways to serve their needs.”

Based in Peoria, IL, Coulter Companies, Inc. includes waste hauling operations, landfills and transfer stations, wastewater treatment, hazardous waste disposal, recycling, engineering and consulting services, and one of the largest testing laboratories in the country. Peoria Disposal Co. and Area Disposal Services Inc., are the two principal

divisions of the company. Combined, they represent four landfills, three transfer stations, 10 transportation terminals, and a fleet of over 300 trucks.

The company ranked 36th in last year’s Waste Age 100 listing of top waste industry companies. Royal Coulter himself is an EIA Hall of Famer, a tribute to a lifetime of achievement in the waste industry. Today, Coulter Companies employs over 600, providing waste collection for 70,000 residential customers and over 6,000 commercial and industrial customers.

One of the largest of those industrial customers is Caterpillar Tractor Co., a PDC customer since 1971. It’s no coincidence that Coulter is a big Cat customer when it comes to landfill equipment and his loyalty is on display in his office with an impressive collection of Caterpillar memorabilia. It was Caterpillar’s industrial waste contract that led Peoria Disposal to seek out more industrial customers and broaden their customer base well beyond central Illinois.

Diversity has always been a driving force behind the growth of the family business under Royal Coulter’s tenure. While he has acquired some 30 different companies over the years, the foundation for that growth was

put in place first, in the form of landfills.

It started in 1982 when the company was awarded the contract for the Peoria city and county landfill. A hazardous waste permit at the company’s Pottstown landfill followed in



The Coulter family, from left: Matt, Jeff, Kathy, Royal, and Chris

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companies and landfills, Coulter diversified his business in other ways, too; particularly if he could identify a service he was already paying somebody else to perform.

A case in point is PDC Laboratories Inc. Formed in 1981, the laboratory business seemed a natural to Coulter, since his landfills required regular groundwater analysis. Rather than pay somebody else for the service, he could do it himself, plus take it a step further by offering to perform laboratory services for others in need.

“I’m an entrepreneur,” says Coulter. “You have to read the tea leaves in this business, find a niche and fill it.”

The plan certainly worked for PDC Laboratories. The lab now has some 100 employees and processes over 6,000 samples per month, from drinking water to industrial waste. Groundwater, wastewater, hazardous wastes, soil, and biosolids are all under the purview of PDC Laboratories. Fully accredited facilities are located in Peoria as well as St. Louis and Springfield, MO.

With the breadth of customers and diversity of services provided by Peoria Disposal Co. and Area Disposal Service, it would seem on the surface to be a prime acquisition candidate for one of the large national companies. But while it is a fairly common practice to start a waste hauling company and then sell it to a bigger company, it never seriously crossed his mind to jump on the bandwagon and sell the fam-

uncles and assumed command as the third generation to lead the business. His three sons, Chris, Jeff, and Matt represent the fourth generation, and each is involved in an area of the business suited to his particular talents.

Chris, who also has a law degree, joined the company in 1997 as the marketing and development director for Peoria Disposal Co., the hazardous waste division. He is now responsible for sales and business development for PDC, PDC Laboratories, and PDC Technical Services, and is responsible for the human resource and safety departments at the corporate office.

Jeff joined PDC Services in 1995 as an operations and route supervisor for the commercial solid waste collection division. He now serves as the general manager for the company’s largest waste hauling division in Clinton, IL, and is also responsible for the purchasing department at the corporate office.

Matt joined Coulter Construction Co. in 2001 as the marketing director and is now responsible for all solid waste sales, recycling, and acquisition activities for PDC Services and Area Disposal Service. He is also responsible for managing the IT and 6 Sigma departments at the corporate office.

“We took our time, bringing the boys into the business,” says their father. “When they were growing up, we really tried to keep them away from the business so they could make their own decision when they were

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1987, and acquisitions of landfills in Clinton, Baylis, and Washington, IL, shortly thereafter.

“When we got the Part B (hazardous waste) permit back in ’87, that propelled us from a garbage company into a hazardous waste and disposal company,” Coulter says. “So that really raised our portfolio, as far as what we did. Then we went back to the solid waste side and started acquiring landfills and the hauling companies to supply the materials to the landfills. After I had the landfills, I needed to fill them up, so we found the hauling companies to complement the landfills.”

Beyond the bread-and-butter of hauling

ily business, says Coulter, even after being tossed into the fray as the principal owner with his father’s untimely death in 1979. He had grown up in the business, working summers painting garbage cans, washing trucks, and riding with his dad on a garbage truck. “All I ever really wanted to do was run the family business someday,” he says.

Royal’s grandfather, John, started the business in 1928 with only a Dodge pickup truck and a handful of customers. Elmer Coulter, Royal’s father, joined the company in the 1940s along with his brothers Reuben and Melvin. In 1983, Royal bought out his

ready. I wanted them to be involved, but only if they wanted it. If they wanted to work when they were teenagers, I had them start out like I did—painting garbage containers. I think you’ve got to get down on your hands and knees and humble yourself, to learn the business from the ground up.”

Royal takes a great deal of pride in his own career path—from the ground up—and feels it has fostered loyalty and respect from his employees. “I’m one of them. I know what it’s like, because I’ve done the same job. I want the people who work for me to feel they can come up and talk to me at any time.

If people feel like you're not above them, you automatically have a lot of credibility. There's respect. When I worked with my dad it was the same way—I respected him because he had a lot of industry knowledge. Respect and trust. That's how you build a successful business."

It wasn't easy growing up the son of a garbage man, Royal confesses, but the ordeal made him stronger and drove him to succeed. It also deepened the respect he had for his father and grandfather before him.

"Sure, other kids made fun of me because my dad was a garbage man. But I developed a tougher skin, which I've needed over the years, because sometimes you have to make some tough decisions. When your dad is working 12 and 15 hours a day, and the other kids' dads are working eight hours a day, you develop a whole different kind of respect for what your dad's doing...and it drives you."

Being driven by personal pride and not just dollars and cents helps explain the essence of the family business, and why it's still in the family. Sure, there have been opportunities to sell over the years, but none have been entertained seriously.

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"You get different rewards when you build your own company. We work for satisfaction—just the satisfaction of building a business, and taking care of your customers. Service has always been the first thing in my family, as far as taking care of your customer base. I've also been fortunate to have a good relationship with my employees, and they understand that customer service is why we've succeeded.

"Winning a new customer gives me a great deal of satisfaction," he continues. "And losing a customer because of service? That's the one thing that people who work here don't want to tell me. So accountability is a real thing that drives this business.

"Whether it's equipment or customer service, we set the bar higher than others. But we can do that because of the trust and respect we've earned. And you can't buy that. You can talk to any of my people, and they know what the mission is. They know I'm not looking to make a few quick bucks and sell out, so they know they have to roll up their sleeves and

work just like me. They also know they have an opportunity to stay here as long as they want, because we're not going anywhere."

If PDC and Area companies have thrived on a culture of trust and respect internally, they expect the same from others they deal with outside the company. The selection of vendors and suppliers can hinge on those same factors.

When Peoria Disposal won a new contract for residential collection in the city in 2010—a contract they had held over the years, but not since 1970—they needed 10 new trucks quickly. They selected E-Z Pack Goliath rear loaders for the job, because, as Jeff says, "they came through and did what they said they would do."

Peoria Disposal first bought E-Z Pack bodies back in the 1950s. Today's fleet includes a variety of chassis and body combinations, something Jeff would like to change. He sees standardization as a trend his company needs to embrace, particularly with his various hauling divisions.

"The E-Z Pack works well, and is a nice, simple machine, which many of our people really like. We have other guys who are used to other bodies, McNeilus for example, so that's what they'll want. It's all about what they're used to, and over the years our divisions have all done their own thing. So that will take some time, to get through the honeymoon stage with E-Z Pack and then make some decisions so we're all working together."

Standardization is just one industry trend that stirs family discussions. Automated collection is another. With some 70,000 residential customers, Peoria Disposal operates just two automated vehicles, both with Labrie bodies. Royal thinks his communities are too entrenched with their rear loader service to accept such a dramatic change.

But Matt feels "it's just a matter of time... if independents want to keep their profitability and stay in business, we have to move that way. Everywhere you see the big companies in rural subscription routes, their move is away from rear loaders to fully automated, or front loaders with Curotto Cans. We've got to do the cost analysis, but in my opinion if we want the returns we need and we want to continue to see workman's comp go down in the future, I think we're going to see a push toward fully automated."

As Matt speaks in hushed tones about his vision for automated collection, it raises the question about the family dynamic in the decision-making process. Is the family boardroom a democracy or dictatorship?

"We have family meetings about every other month," says Royal, "to make sure we're all on the same page. We have a pretty good-size business. Sometimes, instead of debating something in front of my whole executive team, we take it and run it by the family. Democracy? I'd say there's probably a little bit of dictatorship," he says with a laugh.

"But we also know who the real boss is," Matt smiles, referring to his mother, Kathy. Her influence in the business is also apparent, from the warm greetings as she drops by the office to bring a fresh pie for the company's monthly office luncheon. As Matt takes a break from office work to supervise the barbecue grill in the parking lot, the office employees gather in the conference room to share in the feast. It's a scene that's repeated regularly at each of the company's 17 divisions: a sense of family, gathered around the dinner table.

"I think the really neat thing is we challenge one another," says Royal. "And that's what I really enjoy about our business. There's always a different challenge, every day. Whether it's a customer, a piece of equipment, a regulation or an operational change... the challenges of the business keep me going. It's kind of like a toy store, which challenge I get to work on next."

When pressed further on the keys to long-term success, Royal reaches in his pocket for a small, well-worn notebook and opens it beside his Blackberry telephone. "It's in here somewhere," he muses out loud. In a high tech world, this decidedly low-tech device seems contradictory.

"My little book drives my kids nuts," he laughs, thumbing through scraps of paper, newspaper clippings and the like. On a folded slip of paper, he finds the elusive note. "In this business, in any business, you have to listen to the voice of the customer," he prefaces. "Because it's the customer that will get rid of you, not your competitor. And I think this quote says it so well, that I keep it with me."

Reading now, slowly, from the scrap of paper: "Business goes where it's wanted. Business stays where it's appreciated." As the words sink in, he looks up. "It always comes back to the customer. Always." **MSW**

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