

# It's All in the Family

## Pewaukee company enjoys success across generations

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Although they had grown up in the family business and held summer jobs there, Andrew and Scott Larson didn't jump at the chance to join the company when it came time to choose their careers.

Both went to college and earned MBAs, Andrew at Northwestern University's Kellogg School of Management and Scott at New York University's Stern School of Business. Andrew went on to work in investment banking in New York and product management for a medical device company in San Francisco. Scott learned to speak German and worked for a German chemical company.

But their blood connection to Gustave A. Larson Co., a wholesale distributor of equipment and parts for the heating, ventilation, air conditioning and refrigeration industries that their grandfather founded, ultimately proved stronger than any other career opportunities for the pair of well-schooled business professionals.

Today, the two brothers, with father Karl as chairman, run the Pewaukee company and have greatly expanded its markets and revenue since coming on board in the 1990s.

"It's a great working relationship that all three of us have," said Scott Larson, who came back to the family business in 1998 and is president and chief operating officer.

"Dad really lets us make the decisions. We keep him informed and seek his advice. Andrew (the chief executive officer based in Boulder, Colo.) focuses on sales and marketing, and I focus on operations and finance. It really works out well."

The Larson family's business success has earned the company the Generational Sustainability Award from the Wisconsin 75 annual awards program sponsored by Deloitte & Touche. The award recognizes a company that has moved successfully to next-generation leadership and, as a result, has had to redefine its business strategy to meet changing market conditions.

### **Founded in 1936**

When Swedish immigrant Gustave "Gus" Larson started the business in 1936, it was all about refrigeration. He lived in Chicago and worked delivering ice. Later, he became a refrigeration mechanic in plants that used ammonia to make ice.

"After making calls throughout the upper Midwest for a lot of years, he saw the opportunity for a wholesale distributorship in Wisconsin, and he founded the first location," Scott Larson said.

The business provided equipment and parts needed to keep things cold.

When Gus retired, Karl took over the company and ran it with his wife, Madeleine, for more than 30 years until Andrew came into the business in 1992 and Scott returned six years later.

"I think he was thrilled," Scott Larson said of their father's feeling about the brothers' taking over the company.

Karl had expanded the company into Minnesota, South Dakota, North Dakota and Iowa and formed relationships with name-brand product providers.

"My folks poured their lives into this business," Scott Larson said. "They put their own money on the line, their own personal guarantees and things like that to make it work when they took it over from Grandpa Gus. They put their blood, sweat and tears into this business to build it into what it was.

"My brother and I were able to take a very solid platform and continue to grow it from there."

The family's refrigeration business expanded into heating, air conditioning and ventilation, and Larson Co. now sells equipment to residential contractors and the "light" commercial market, such as strip malls and small commercial buildings and warehouses. The biggest part of the business now comes from heating, air conditioning and ventilation sales.

### **Long-term customers**

The company evolved further when a large industry consolidator went bankrupt four years ago and Larson Co. was able to buy companies in Colorado, Nebraska, Utah and Idaho. Andrew moved to Colorado to provide a family presence for the western part of the company's holdings.

Today, the company has 44 locations - nine in Wisconsin, including its 100,000-square-foot corporate headquarters and warehouse in Pewaukee - and generates sales of \$150 million to \$200 million yearly. Of its 400 employees, 174 are in Wisconsin.

Many of its customer relationships go back decades.

Larson Co. has been supplying refrigerant and parts to Electro-Kold Corp. in Burlington for more than 40 years. The reason for the long-running relationship is simple good business, Electro-Kold President and chief executive Jerry Fettes said: "They deliver pretty much every day, they have most of the parts I need the majority of the time, and there's good pricing on it."

Dennis Braun, president and CEO of Total Comfort of Wisconsin Inc. in Pewaukee, has been doing business with Larson Co. for more than 20 years. He said Larson was "just a terrific company to work with."

Braun said: "They are good listeners; they manage their inventory well to our needs. They come up with some really innovative ideas to help us do our job better. They are very grounded in customer service." Scott Larson said the business was prepared to expand as needed. Its headquarters building, where the company moved in 1997 after outgrowing facilities in New Berlin, could add 80,000 square feet.

The Larsons also keep their eyes open for other companies they might be interested in acquiring and fend off takeover inquiries themselves, Scott Larson said.

With Larson Co. now in its third generation as a family business, it seems possible - even likely - that a fourth generation of Larsons could run it someday. Andrew has four children and Scott has three.



Scott Larson represents the third generation of his family to lead Larson Co. He is president and chief operating officer; brother Andrew is chief executive officer in Boulder, Colo. Their father, Karl, serves as company chairman.



A warehouse worker helps fill an order at Gustave A. Larson Co. in Pewaukee.



A portrait of Gustave A. Larson and a patent issued to him hang in the company entrance.