

From Rookie Employee to Owner, All at One Place

By Lori Ward Bocher

In today's rapidly changing society where some people change jobs as easily as they change shoes, it's surprising to find someone who has spent his entire career at one place. It even surprises the one who's done it — Don Stein, president and owner of Kellogg Seeds & Supplies in Milwaukee.

While in college, he set a goal of managing a small business. After he achieved that goal, he decided he'd like to own a business. But he never imagined that he'd meet both of these goals at the same place he went to work for right out of college. "I never would have guessed that I would be working in an agriculturally based seed company when I had no background in it," Don adds. "But it has been most enjoyable."

What is his background? Don was born and raised in the Milwaukee area where his father was general manager of a small company and his mother was a homemaker. He graduated from Wauwatosa East High School in 1959, then made an easy decision to attend the University of Wisconsin-Madison. "I had good friends there," he recalls while explaining why he chose Madison. "One of my best friends was majoring in chemical engineering, and I thought that looked pretty good to me."

However, it didn't look good for very long as Don eventually switched majors and graduated with a finance major and accounting minor in 1963. "After that I spent a short time in the service with six months of basic training in the Army Reserves," Don explains, adding that he was associated with the 84th division in Milwaukee. He continued part-time with the Reserves for six years.

"While in the service I actually interviewed with Kellogg Seeds," he recalls. "But I decided I really didn't know anything about agriculture and seed companies, although they were



Don Stein

looking for a person with a business and finance background. They were very weak on that end.

"So I went back to Madison and started working on a masters degree," Don continues. "I took some agricultural credits, too. At the end of the summer of 1964, I decided it was time to get out and start working at Kellogg. And I've been here ever since."

How did Don move from a general worker to president and owner of the company? He explains. "When I started here, the Kellogg family owned the business and had owned it since 1918. Mr. Kellogg had passed away, and there were two older gentlemen running the business for the Kellogg family. There were no Kellogg heirs who were interested in the business.

"I started as a general worker, doing anything they wanted me to do. Eventually, I did get involved with some sales," he continues. "About two years after I started, the man who had been treasurer of the company (one of the two older men) passed away. I took over as treasurer and general manager. I was still pretty wet behind the ears as I moved into that position in 1966.

"In about 1970, I convinced the Kellogg family that, since no one in their family was interested in running the business, they should make some changes," Don explains. "I had met the Lofts of Lofts Pedigreed Seeds, Inc., and knew that they were looking for an operation in the Midwest. I invited them to come out and look at our operation. They liked what they saw, and they bought Kellogg Seeds in 1970 and owned us for approximately 10 years." During that time, Don was promoted to vice president and general manager.

"In 1980, Peter Loft, who was then president of Lofts, discovered he had an inoperable brain tumor. He knew that his life was going to be shortened, so he made some key business decisions," Don recalls. "I was the very fortunate recipient of one of



those decisions. They knew that I was interested in the business but never had the money to buy into it. So they made the business available to me at a very reasonable price, far below what the market value was. I gained ownership in 1981 and became president of the business.

"Peter Loft and his brother were very kind to me — I guess because I had worked hard and been honest and done a good job of running the business for them for 10 years," Don adds.

With two sons currently in college, Don will continue to work at Kellogg. He is, however, looking toward the future. "Right now there's no indication that either of the boys has an interest in coming into the business," he says. "I certainly would like to find a younger person to take under my wing and maybe give them the opportunity that I was given as a young man."

Readers of THE GRASS ROOTS are most familiar with the turfgrass seed and lawn and garden division at Kellogg Seeds & Supplies. But they do an equal amount of business with their wild bird seed and cage bird seed. "The pet division has always been a very steady part of the business while the other is very seasonal," Don points out.

At Kellogg they don't produce turfgrass seed — they formulate and mix it. Some is put in bags with the Kellogg label, and some is custom mixed and packaged. "When a golf course superintendent calls up and says he needs a certain mix for fairways or tees, we can put it together for him," Don explains.

"When we were owned by Lofts, we sold their varieties and their seed," he continues. "Once that relationship ended, we became an independent seed company. We still represent Lofts, but we also represent approximately six other major seed companies, so we can give customers a nice mixture of various proprietary seeds. No one else in the state is really in the position to do that."

In turfgrass, the company deals mainly with sod growers, golf courses, landscapers, lawn maintenance people, municipalities and cemeteries. "We had one professional salesman in this area, Egon Herrmann, for 25 years," Don points out. "He retired at the end of December. We will miss him. He certainly had contact with the golf course people." Egon was nearly 70 years old when he retired.

Jay Hager, who has been with the company for 28 years, replaced Egon in turfgrass seed sales. He previously worked in the retail lawn and garden end of the business.

With their lawn and garden line, Kellogg sells regionally, mainly to retail lawn and garden centers, some nurseries and some chain stores. The wild bird seed is also sold regionally to specialty wild bird stores and to the nursery and garden centers that purchase their lawn and garden products.

The cage bird seed is sold nationally through 70 distributors around the U.S. "We also do a little exporting," Don adds. The seed is sold to independent pet stores and to pet store chains.

The company is still located in the same building in which the Kellogg family started the business back in 1918. "The building was initially built in the 1890's, and it really meets our needs quite satisfactorily because we can flow everything gravity wise, which allows us to be quite efficient," Don explains.

The downtown Milwaukee location was once home to four seed companies — Tewles, Cortein, North Coast and Kellogg. "We were all within a four-block area. However, we are the only surviving company today," Don points out.

Don believes that his greatest career challenge came early in the game, when he first started at Kellogg Seeds & Supplies. "The two older gentlemen who were running the business didn't have financial backgrounds, so the company was in somewhat of a disarray," he recalls. "I was fortunate that the board brought in a consultant who I learned a great deal from. We changed the way the company did all of its business internally. That was a tremendous challenge at that time.

"I remember the consultant always saying, 'How can you beat this? You're getting a masters degree in business and getting paid for it, besides.' And he was right," Don adds.

The climate for small businesses has changed greatly. "It's certainly much more difficult than it was when I began 32 years ago — or even 20 or 10 years ago," Don relates. "We've seen a tremendous change in government regulations, registrations, and increased competition. But you just have to keep going forward and plugging away and doing your thing as best as you can."

Another challenge for Don came when he joined the board of directors of the O.J. Noer Research Foundation in 1988. "I could see that nobody on the board had a financial background," he remembers. "Research grants were getting higher and their corpus was actually getting smaller. The end result was that some changes had to be made, and I got directly involved with that.

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"At the time, they had their corpus invested with a bank which had many different officers and had changed management people many times. It was floundering. No one was looking after it," he continues. "So I got some new investment managers involved. They have really taken the corpus and grown it."

At the same time, other board members concentrated on raising more money through different means. "We've grown the corpus now to well past \$400,000, and we're paying out much more for research than we ever had. I'm very proud of that," Don says. Today he serves as treasurer of the O. J. Noer Research Foundation.

Don also has been involved with bird organizations. "I was on the board and served for two years as president of the Wild Bird Feeding Institute," he points out. "I also was on the board of the National Cage Bird Show for many years, and I felt good about changing some things and watching the national show grow."

He explains that the National Cage Bird Show is kind of like the Oscars for birds. "It draws the best breeders from all over the U.S., Canada, and other countries," he says. "The birds are judged and can win a Kellogg trophy which was started way back at the initiation of this organization. We give out 13 specific trophies. To win one is the ultimate honor that a breeder can achieve."

In the Milwaukee area, Don has served on the Kiwanis board and he was the recipient of their public service award. Currently he's on the Kiwanis Priority One committee, which is youth oriented. He's also worked as a Boy Scout leader at the Gaenslen School for the handicapped, an inner-city school supported by the Kiwanis.

Don and his wife, Carol, live in Brookfield. Carol is a graduate of the UW-Milwaukee and a part-time medical technologist. They have two sons - Eric, 20, a student at UW-Stout; and Andrew, 18, a student at the University of Minnesota.

"I've always been a sports fan," he relates, "and I've always had an interest in golf. Although, with our business, we're busiest when the golf season is going strong. So it's hard to be able to play as much golf as I would like to.

"I try to get to the superintendent golf outings," Don continues. "That's always been real enjoyable for me because I get to play some of the different courses around the state. I don't do very well anymore, but I have fun.

"I think we're very fortunate in Wisconsin to have beautiful courses, both old and new," Don says. "The new golf courses being built today are so picturesque, incorporating nature and water and tress. To me it's absolutely exciting. I enjoy just walking around a golf course. I enjoy walking even more than the way I play golf!"

