

Business

Family cooperation underlies spirit of Cliff Buzick Inc.

By TERESA ENGLERT

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His daughter manages the head center; his son is vice president of the company. One son-in-law operates the construction company, while his other son-in-law runs the lumber yard. His brother-in-law is secretary-treasurer of the firm, and his wife is part-time clerk.

If you don't know by now whom this describes, it's Donald Buzick — president of three successful companies whose says he has learned from experience that outsiders in the executive hierarchy usually don't work out.

That's the reasoning behind the corporate structure of Cliff Buzick Inc. of Bardstown — a firm that is as solidly entrenched in local history as the whiskey industry, and one which also owes a great portion of its livelihood to that industry.

Cliff Buzick Inc. consists of three distinct companies — Cliff Buzick Lumber Yard, Buzick Construction Co., and Buzick S & T Home Center — which are all managed by family members.

But then, that's the way Donald Buzick likes it. "Over the years, my experience has been that every person I've hired outside the family hasn't worked out."

A lot of them would move away or lose interest for some reason or another," the 57-year-old said. "But all the family members have stuck around and worked out well."

Donald didn't decide overnight to build a corporate giant staffed with family members. He got the idea from his own father, Cliff Buzick, who originally started the company back in 1937 during the Great Depression. Even in the beginning, the business was highly dependent on the spirits industry.

"He started out as a salesman of distillery equipment from Ohio," Donald said, "but he soon learned that the distillers didn't have anyone to install the equipment they bought."

It was that need which proved to be Cliff Buzick's golden opportunity. He moved his wife and two children to Bardstown, hired a few workers and opened the Cliff Buzick Construction Co. for industrial work.

Prospering in that business, despite his lack of construction experience, Cliff opened a lumber yard in 1944 next to the construction company.

Cliff had worked in his father's business and learned the business inside out as he was growing up.

It was that close working relationship with his father that taught him to rely on family members for support and hard work.

His father died in 1963 and left the business in his lap. Donald promoted his brother-in-law, Jimmy Guthrie, to co-manager of the lumber yard.

That arrangement worked well, so Donald continued the trade by eventually staffing his entire administrative complex with relatives.

Donald's son, named Cliff Buzick in memory of his grandfather, is vice president of Cliff Buzick Inc., and is being conditioned to take over the entire operation in about seven years, when Donald plans to retire.

"It's a very scary thought," 25-year-old Cliff said about running the business, which currently

employs 60 workers. "It's a good-sized operation, and a whole lot of responsibility goes along with it. It's been in the family for a long time, and I hope it stays that way."

Although Cliff realizes the tremendous opportunity he has been afforded, he says the position is not as glamorous as it may seem. It requires 60-hour work weeks and a lot of attention to details, he stated.

But then, that's the philosophy behind the entire operation, according to Donald.

"It's just hard work, and attending to even minor details," Donald said. "That's the way to make a business successful."

Tommy Blincoe, who married Donald's daughter Donna, agrees. He joined the company eight years ago, fresh out of college with a B.S. in biology. After the road to medical school looked long and extremely competitive, Tommy accepted his father-in-law's invitation to work as a manager-trainee with the construction company.

"I had no idea I would end up working with a construction company when I was in college," the 31-year-old said. "But there was fierce competition to get into med school, so I just decided to work here."

Tommy currently manages Buzick Construction Co., and says he enjoys working with his wife's family, despite some drawbacks.

"We have our differences and everything, but overall it's very good," Tommy said. "I feel like I'm working out, and I think we've got a good organization from the top down."

The construction company, which contracts for commercial and industrial building projects only, acquires about 75 percent of its business from Nelson County, Tommy said.

over," he added. "About 50 percent of our business is related to that industry."

Although they expressed concern that new tougher legislation on drunk driving may curtail business somewhat, both Tommy and Donald said the trend in stiffer penalties has not affected their industry yet.

"Everyone has expressed concern, but we haven't felt any impact on it yet," Tommy said. "It's really hard to say whether it has or not, really."

Tommy, who spent five years in Tennessee directing the renovation of the Jack Daniels' distillery, said the key to the Buzick company's success over the years has been their loyalty to customers.

"What we do is try to cultivate good relationships with people we do business with," Tommy said. "Donald has been doing work with some distillers for over 30 years. That says something about our reputation."

"If you don't give your customer good services, you won't be in business very long."

Buzick currently does contract work with Jim Beam, Barton Brands Ltd., Heaven Hill and Makers Mark in Nelson County, and a few distillers in other states.

In fact, Donald said about 200 of the whiskey warehouses located in this area were built by his company.

"After the War (World War II), we started building whiskey warehouses, after Prohibition was lifted," Donald said. "We built 100 of them then, and we've built about 200 here altogether."

Lumberyard
Ronald Richardson, who married Donald's daughter Jamie, manages Buzick Lumber Yard. He started out seven years ago as a clerk to avoid commuting to work from his job in Louisville, and also to secure permanent employment.

Ronald says he enjoys working with his in-laws, even if it means taking his work home with him.

"When you leave a job like this, you don't leave your work at the office," Ronald said. "You go home and discuss it with your wife, because it's a family business and you have more interest in it."

"Before, when I worked at G.E., when I left at the end of the day I never thought about that place until I went back the next morning," Ronald said. "But this is more of a position rather than just a job."

Ronald said one reason he takes pride in his work at Buzick is for the benefit of his children.

"We're working for our future, and our children's future," Ronald said. "I hope my children will be working here someday."

Despite these added incentives, Ronald said there are hardships involved in working for family members.

"You don't always say and do what you would with a regular boss when you get into working with your family," Ronald said. "You try to maintain your composure."

Tommy said maintaining continual communication with the president is the main ingredient to establishing a good working relationship with family members.

"I discuss everything that goes on with Donald, and the policies we have," Tommy said. "I have



The corporate hierarchy of Cliff Buzick Inc. consists of, from left to right in back: Cliff Buzick, Jimmy Guthrie, Tommy Blincoe, and in front, Ronald Richardson and Susan Elmore.

Profiles in business

He said the company has never dealt in residential construction, because that would compete with the business of other residential contractors who purchase supplies from Buzick Lumber Yard.

"We'd be competing against Buzick Lumber Yard's customers," Tommy said. "You've got a conflict of interest there — homebuilders who buy from our lumber yard wouldn't like it if they came in to buy materials here and we tried to undercut their bid or something."

That spirit of working together is obvious in all aspects of the Buzick empire. Tommy has also found that a few other forces work to make his industry a success or failure.

Heavily dependent on the distillery trade for work, Tommy said his revenues fluctuate pretty closely with the whiskey industry, and the general economy overall.

"Everything is just a snowball effect, or ripple effect, or whatever you want to call it," Tommy said. "This year has been better than last year, because business investments and building have been up."

"We do a lot of business with the whiskey industry here, and all

to keep him informed of everything that goes on. That's a very, very important part of the business."

Managing the lumber yard requires a great deal of time and effort, Ronald said, because he has to perform a variety of tasks — keeping up with inventory, signing checks, scheduling trucks, estimating prices and even unloading trucks.

"We more or less do anything around here to get the job done," Ronald said. "If that means Donald or I have to stop what we're doing to unload a truck, we will."

"It's by far not a boring job," he added.

S & T Home Center
Donald's daughter, 33-year-old Susan Elmore, manages the Buzick S & T Home Center. Although her job may not entail as much intricate planning as that of her male relatives, Donald said she has been successful enough

that he rarely overlooks her operation or procedures.

"Best I can tell, all the men come up here and tell the boys that they want her to wait on them," Donald said laughingly. "She came in as a part-time worker, and did real well, so I offered her the manager's job and she has been very successful."

Susan said she plans to retain her position with the company permanently, although she had no such intentions when she first started.

"I just wanted part-time work, but I really enjoy the hardware business," Susan said. "It's something different all the time."

The final relative in the corporate ranks, Jimmy Guthrie, estimates the cost of materials needed when homebuilders purchase items from the lumber yard.

"I would say he's given a material estimate on 75 percent of the houses built in Nelson County,"

Donald said of his brother-in-law. "He started out helping me in the lumber yard, and we both sort of managed it until three or four years ago."

Now serving as secretary-treasurer of Cliff Buzick Inc., Guthrie has other responsibilities, such as purchasing various items, clerking, and handling some public relations matters.

Since he, Donald and a few others are planning to retire at about the same time, Donald said he anticipates a turnover in the company's personnel in about seven years.

However, he hopes to have the company running smoothly before the transition occurs. Right now, that means training his son Cliff to take over the entity.

"There's a whole lot to it, and a whole lot to learn," Donald said. "It just takes time. That's all it took for me. There's nothing like on-the-job training."

Factory orders rose in July

Orders to U.S. factories for new manufactured goods rose 1 percent in July, partially offsetting a 1.6 percent drop the previous month, the Commerce Department said Thursday.

The nation's big retailers, meanwhile, also posted moderate gains in sales for August compared with a year earlier. Industry leader Sears, Roebuck & Co. said its sales rose 8.1 percent to \$1.8 billion.

The level of factory orders, despite their July advance to \$12.5 billion, remained 2 percent below their 1984 high point reached in March, and that was taken by many economists as further signaling a slowing of economic growth in the coming months.

The 1 percent July gain compared with increases as large as 4.6 percent posted last year as

the economy expanded rapidly, pulling out of the recession.

This year the orders pace has been slower, with declines posted in April and June. Other business barometers in recent months have pointed to lower growth. On Wednesday, the Commerce Department said its Index of Leading Economic Indicators was down for a second straight month, the first consecutive declines in the forecasting gauge in 2½ years.

In other developments:

About 375,000 Americans filed initial claims for jobless benefits in mid-August, a jump of 24,000 from the previous week and the highest level in a month, the Labor Department said. The weekly figures fluctuate more than other employment-related statistics, and most economists still expect the government to

report at least a small August decline in the national civilian unemployment rate, which was 7.5 percent in July.

— Mortgage lending by U.S. savings and loans totaled \$15.5 billion in July, down 14.3 percent from June but still a record high for the month of July, the United States League of Savings Institutions said.

William B. O'Connell, president of the trade group, said the decline reflects a slowing of the housing market's "booming pace" earlier this year and a "healthy sign for the economy."

The basic U.S. money supply rose \$1.7 billion in July, the Federal Reserve said, leaving the supply within the growth targets sought by the central bank. But credit analysts remained divided on whether interest rates had peaked or are headed higher.

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