



From roofs to riches

Jul 1, 2007
 By: Thomas Skernivitz
 Roofing/Siding/Insulation (RSI)



Reaching billionaire status, says Ken Hendricks, Mr. 107 on the Forbes 400 list of richest Americans, has seemed remarkably "easy," to the extent, he adds, that "you pinch yourself" sometimes.

"All we do is sell roofing," the founder and owner of ABC Supply Co. shruggingly says. "That's the most amazing thing about it. We didn't invent anything."



Becoming a roofer, on the other hand, now there's a feat that's worth its weight in shakes, one that fondly takes the 65-year-old Hendricks back a half-century to his teenage days in Janesville, Wis.

"There's probably around 50 people still alive that remember this," Hendricks says. "I could carry a half bundle, then a full bundle, then two bundles, and then three bundles over my shoulder up a two-story ladder. I got 10 cents a bundle for hauling them up and \$3 a square for nailing them down. Well, any idiot knows that you want to get enough shingles up there because that's where the money is."

Ken Hendricks' employees at ABC Supply Co. are his friends, which means they are respected and given every opportunity to move up the company ladder. "I ain't any better than them," he says. "We all put our pants on the same way." In recent years Hendricks has invested in 32 primarily unrelated ventures, ranging from wind towers to barges to garden materials.

Few U.S. businessmen, and certainly no one in the roofing industry, have tracked the scent of success as well as Hendricks. A self-made man, he won state championships in the 110- and 220-yard sprints as a sophomore and junior and then dropped out of high school to work two 40-hour-a-week jobs.

Forbes magazine places his personal wealth at \$2.6 billion. His primary asset is American Builders and Contractors Supply, the wholesale distributor of roofing, siding, and gutter materials. Founded in 1982 upon the purchase of three Bird and Sons

stores, the Beloit, Wis.-based company has \$3 billion in sales, more than 6,000 employees, and 400 stores. Throughout his many achievements, which include raising seven children, five of whom work at ABC, as does his equally entrepreneurial wife, Diane, Hendricks has never lost sight of his roofing roots and the lessons he indirectly learned from the first roofer he ever admired, his father, Joe. "Everything I learned, I learned from my dad, but not at all the way you think," Hendricks says.

Just as vivid are the memories of how a condescending public would sometimes treat his dad. "If you wanted to date someone's daughter from the country club, you'd hear, 'No, no, stay away from him, his dad's a roofer,'" Hendricks says. After awhile, "you kind of get that attitude, you know, 'Stick it up your ____.'"

Hendricks received the same type of treatment when he began making a living as a roofer in his early 20s. Surprisingly, even distributors failed to give him the time of day. Years later that black hole of customer service would become the primary reason he approached — and conquered — the distributor business.

"I'm a roofer. I love my customer. I appreciate the work that they do," Hendricks says. "I think that's why ABC has been successful. We can't be successful unless our customer is. That's just common sense. If my customer

goes out of business, who the hell am I going to sell? So we do everything we can to help our customer become successful. He has to be able to feed his family, reach his dreams, build that cottage up north. You have to help him to be able to do that."

Unfortunately, apparently far too many roofers are realizing those aspirations. According to a University of Chicago study, roofers are the most dissatisfied workers in the United States. Only 25.3 percent are "very satisfied" with their jobs; just 14.2 percent are "very happy" with their lives.

This bothers Hendricks. Roofers should take pride in their work, he says. He always had, despite the rugged work, dirty conditions, and harsh elements.

"It's a tough job, but what I liked about it is that it's the only job where you get paid fairly for what you do. It's piecework," Hendricks says. "I'm a guy that, if I want to work hard, I can do better than the guy that doesn't. And that's how America should be."

The problem, Hendricks says, starts at the top with greedy company owners who have hierarchical agendas. "It's all about the money for a few. I mean, I've made a lot of money. I'm on the lists and all that crap, but every dime that I get gets invested to start a new business to create jobs and more opportunity for my people," Hendricks says.

Were he still the owner of a roofing firm — at 26, he employed 500 workers while running Blackhawk Roofing Co. (union) and International Roofing Co. (non-union) — Hendricks would take the study results personally, he says. "Business owners in general need to look in the mirror and figure out how they can take care of their employees better. I think there's a class of owners, they drive their damn Mercedes and try to pay their people as little as possible. And there's nothing wrong with driving a Mercedes. It's how they separate themselves from their people. If they paid them more, they'd do better work, they'd get it done faster, they'd get more work, and everybody would win," he says.

Hendricks, who drives a Jeep Cherokee and has no interest in playing golf or partaking in the country-club culture, speaks from experience. In June ABC Supply earned the Gallup Great Workplace Award, one of only 12 companies in the world to receive the honor.

"I get people that come up to me and say, 'Where do you find people like this?' meaning that (ABC's employees) love their job," Hendricks says. "Do you realize how satisfying that is? You've got people that are happy doing what they're doing."

The employees that comprise ABC Supply are satisfied, Hendricks says, because they are treated as equals and with respect. Workers are encouraged to participate in the company's training program, ABC University, and are given every opportunity to seek internal promotion. More than 50 percent of the company's managers graduated from entry-level positions.

"At ABC alone we have 6,000 minds that are working, and they all have ideas. Some (ideas) are good and some are bad, but unless they are able to express those ideas, the company is going to go nowhere," Hendricks says. "And if somebody doesn't do something with a good idea, they are going to get tired and think nobody gives a damn. They don't feel any excitement or commitment to their job and they go someplace else to work."

"They're my friends. I ain't any better than them," Hendricks says of his workers, each of whom has his cell phone number. "Some (bosses) go up to their office, they close their door, they have a secretary, and you have a two-week appointment before you can see them. Here you can walk right in and talk to me. I don't care if I'm \$50 billion or \$100 million, it doesn't matter to me at all. We all put our pants on the same way."

As Hendricks often notes, he learned how to treat employees and customers from his experiences with prior bosses, particularly his dad, who died in 2004. That's not to say those experiences were always good, and in fact, Hendricks has spent a lifetime benefiting from the mistakes of others.

"My dad was a very hard worker, but he really couldn't get anybody to stay working for him," Hendricks says. "He'd start to do something, and he'd have a helper, and he'd say, 'Give me that damn hammer, I'll do it myself.'"

"What I learned from that — and I think it's one of the main reasons I've been successful today — is that unless

you train someone to do what you know how to do, you can't expand beyond what you can do with your own hands in an eight-, 10- or 12-hour day. It doesn't matter if you're a heart surgeon. You can only do so many hearts unless you devise a system where you can take on more people."

The turning point in his life, Hendricks is quick to remind, occurred at around age 15 on a day when he was his father's subordinate, in this case while helping to extend natural gas lines among residences. With dad on a parts run for about 90 minutes, Hendricks diverted from the game plan and finished the job on one house.

The elder Hendricks returned to the scene and, puzzled, crawled under the house to check the work of his increasingly nervous son. "As a kid, it seemed like he was under there for hours," Hendricks says. That his father didn't say more than two words upon returning, driving home, and eating dinner didn't quell the anxiety.

The next day they went back to work on an adjacent house. His dad crawled under the structure and, upon returning, finally had something to say.

Son, what do you think we should do here?

"You have NO idea how profound that is," Hendricks says, sounding as though the words were spoken only yesterday. "It had really just arrived in my dad's mind that I had a brain and that I could contribute something to what he was doing."

Five decades later, Hendricks still gets a rush, not from checking his bank account — "It's not like I can write a check for \$2.6 billion," he says. "The money is tied up in the company." — but from seeing his employees and customers light up the way he did that day.

"I have fun just watching people grow," he says. "That's why I get up in the morning. When that stops, I'm not going to work anymore."