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Billionaire made Beloit his business

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As a young boy growing up in Janesville, Ken Hendricks was always busy finding odd jobs around the neighborhood -- mowing lawns, raking leaves, clearing snow from sidewalks. When he couldn't find the time to do the work himself, he organized a crew of friends to help him out.

He needed the extra manpower, because by age 8, he was busy enough hauling bundles of shingles up a ladder after school for his father, a building contractor in Janesville.

"I had to work every night, so they were out mowing the grass," Hendricks said. "I think we charged three bucks for grass and I would get a buck and they would get two bucks. They wanted to pick up some extra money but they didn't feel comfortable, I guess, walking up to a door and asking for the money."

At 65, Hendricks is still busy looking for more people willing to work hard. A lot more.

As the Beloit roofing supply company he started 25 years ago, ABC Supply, grows, he's continually adding to what has become a work force of 6,000. With nearly 400 locations in 47 states and sales at about \$3 billion, Hendricks is targeting sales of \$5 billion in the next three to four years and \$10 billion by 2017.

Hendricks said the expansion is necessary to create career growth for his employees and he loves "the enjoyment of seeing a guy that really has an opportunity."

But it has also added to his wealth, making him the third richest person in Wisconsin and 249th richest in the world with an estimated fortune of \$3.5 billion, according to Forbes.

A most important lesson

Hendricks' desire to empower other workers can be traced back to a day when he was 14 years old. He was working with his father, Joe, running natural gas piping to a house in Edgerton.

Joe was a man who didn't trust others to do the work and had little time to show anyone how, Ken Hendricks said.

But on this day, the elder Hendricks needed to run to Janesville for parts in the middle of the job.

"When he came up to the house I was sitting on the curb with all the tools in the box," Hendricks said. "And he looked at me and said 'What's wrong?' And I said 'Well, I finished the job.'"

It took what seemed like an hour for his father to inspect Ken Hendricks' work "because I was waiting to see that I did the job right."

Without a word, Joe Hendricks emerged from under the house, and never mentioned his son's work, even at the dinner table later that night.

When the two started on another house the next day, the elder Hendricks looked at his son and said "What do you think we should do here?" It's a story that still gives Ken Hendricks goose bumps as he recalls it.

"That was truly the first time that my dad realized that I had a brain and someone else could contribute to what he's doing," he said. "That truly, truly has made the entire difference in my life. Because when I have people that are working for me now, I try to show them everything there is so they can expand."

Learning how to trust other people to work hard for him has been important in Hendricks' journey to success.

"It doesn't matter what you are paid," Hendricks said. "You can only charge so much and do only so much with your own hands. Until you devise a system to train other people, you can't expand your business."

Hendricks often talks about the fact that many of the managers making more than \$80,000 at ABC Supply started in entry level positions such as forklift operators.

His start

With his vast wealth, Hendricks says he still identifies with the working class because that's where he started. In fact, his start was a little rocky.

At 17, he dropped out of high school after his future wife, Sandy, got pregnant. He would end up working two 40-hour-per-week jobs to support the family.

He quickly learned that he was not valued in those positions and that he could make more money roofing houses. A fortuitous trip through Berlin, about 75 miles northeast of Madison, just as a severe hail storm was tearing up the roofs of the local homes, allowed Hendricks to expand from two to more than 40 workers at age 22 with his young business, International Roofing. The quick and efficient work International

Roofing did in Berlin would lead to another big job at Fort McCoy, about 30 miles east of La Crosse, and bonding from an insurance company.

Now 26 and with 500 employees, Hendricks was doing jobs all over the country and in a position to take on large government jobs. It didn't take long for life on the road to creep into his personal life.

"We were working all over the country, " he said. "I kind of burned through a marriage and ended up getting a divorce when I was about 30 years old. "

In the 1970s, Hendricks scaled back his roofing business and he and his current wife Diane, whom he married in 1975, began investing in property in the Beloit area. He would eventually sell off International Roofing and in 1982 he and Diane founded what has become the largest roofing supplier in the United States, ABC Supply.

As usual, Hendricks saw an opportunity where he could do the job better.

"I remember how I was treated (as a roofer), " Hendricks said. "The distributors really didn't give a damn if they were on time. You were always fighting with them on time or service. "

'The go-to ' guy

The rise of ABC Supply has allowed Hendricks to devote time to another passion, restoring Beloit.

Beloit had the second highest unemployment rate in the state at 7.4 percent in May, according to the Department of Workforce Development. But Hendricks is working to change that.

"He 's had more impact on the city of Beloit than any other individual, " Larry Arft, the Beloit city manager, said. "It 's really hard to envision Beloit without Ken and Diane Hendricks. "

When Beloit Corp. went out of business in 1999, it put more than 1,000 workers on the street and left the 30-acre industrial site sitting idle. Hendricks stepped in a few years later to buy the campus, along with many other properties in the area, and has since attracted a number of companies and 2,100 new jobs to the area.

"He 's not only reused and remodelled and redeveloped all of that space but also created lots of jobs in the city center, " Arft said. "On the economic development front, he 's obviously the go-to guy. "

But often, Hendricks doesn't wait for opportunities to come to him. Sam Popa was storing a large aluminum extrusion press at

the former Beloit Corp. campus waiting for a new building to be built in Illinois when Hendricks introduced himself.

"We told him what we were doing and the next thing we know, he came back and told us he would like us to anchor the complex," Popa said. "At the time (the complex) was totally vacant."

But Popa said staying in Beloit didn't seem to be a good option because the building wasn't the right fit and the large installation expense for the equipment required that his company own the building where it operated.

Ken's response was "I will make this building fit for you," Popa recalls. "He said if you're concerned with (owning the building), let me buy into the business."

Six years later and Hendricks is now the majority owner of American Aluminum Extrusion Co., which employs 120. "Ken was the only motivator for us to stay in Beloit and in Wisconsin," Popa, who describes Hendricks as an "average Joe," said. "The real convincing factor was his honesty and willing to give back to the community. He was a lot more interested in creating jobs than in making money."

Hendricks also directs at least 1 percent of ABC's earnings each year to dozens of charities including Habitat for Humanity, United Way and the American Cancer Society.

Two Beloit non-profits Hendricks has taken a special interest in are the Wisconsin Aviation Academy and Southern Wisconsin Airfest.

Tom Morgan, who runs both non-profits and has developed a friendship with Ken and Diane Hendricks, said the couple don't put on the airs of billionaires.

"I don't personally enjoy sucking up to anybody so I pretty much don't," Morgan said. "And I think that's what is pretty cool about (Ken). I don't say yes to everything Ken would ask. ... Sometimes people sacrifice their integrity to help themselves or a program. I don't do that and I think he knows that and appreciates it. I think he respects that."

'Welcome to Hendricksville '?

But while Hendricks said he hasn't strayed from his roots, not everyone in the working class identifies with him.

When Ken Hendricks' name comes up among a table of friends eating breakfast at Salvador's restaurant in Beloit, the responses are mixed.

Sandy Ovist, 62, a former school teacher in Beloit, thinks Hendricks takes advantage of the city, getting property for less than it's worth and receiving too many tax incentives.

"We 're going to call it Hendricksville pretty soon, " she said. "He gets the city to pay, so the taxpayers are paying for his growth. "

Sitting across the table from Ovist, Jim Quillen, 88, acknowledges the good things he 's done for the community.

"He 's hired a lot of people, " Quillen said. "He 's put people to work and from what I heard, they like where they work. He 's done a lot of good but he 's done a lot more for himself. "

While taking her lunch at a downtown park with friends, Dianne Morrison, 55, a paraeducator at Merrill Elementary School, said Hendricks has allowed employees to leave work to tutor children at her school.

"I think it would be a sad state of affairs (without Ken Hendricks), " Morrison said. "Some people will call it Hendricksville, but he has really supported what we have here instead of tearing everything down. "

Legacy

With most of his seven children involved in the business, Hendricks is optimistic that his model for growth and community development will go on once he 's gone.

"I hope that my family, the culture and everything continue to grow, " he said, recalling the way the corporate cultures of Wal-Mart, McDonald 's and Wendy 's changed after their founders were gone. "I 'm hoping that the culture continues (at ABC), " he said.

Kim Hendricks, Ken 's second oldest child and president of his Mule-Hide Manufacturing Co., would like her father to think more about succession planning. "My dad does not talk about dying. And he probably, for a man in his position, is what I would say under-prepared, " she said.

But she believes that the fact that many of her siblings have been with ABC from the start is a good sign.

"A lot of people think of us as second generation, " she said. "But in a lot of ways we 're really not. We actually built ABC with him. So I really doubt there would be any drastic change in our lifetime. A lot of the culture of ABC exists because of the family being in it. "

Hendricks doesn 't appear to have lost much of the zeal that drove him as a young man.

"He still gets all excited when he sees an opportunity to put something together that was being wasted, " Kim Hendricks said. "And he 's that way across the board in his life. It 's not just about business. It 's about people. He tends to fight for the

underdog, whether its wasted materials or people that ... aren't given opportunities. "

So you 'll still find Ken Hendricks spending most of his day taking phone calls -- every employee has his mobile phone number -- and looking for new opportunities.

"I have no plans to retire, " Hendricks said. "I 'm going to do this until I die. "

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