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Vaulting ahead: Suhor Industries finds opportunity in concrete, burial industries

Kansas City Business Journal - by [Mark Kind](#) Staff Writer

If you need a concrete cattle guard to keep the herd from straying off the back 40, **Suhor Industries Inc.** of Overland Park should be in your Rolodex.

Same if you need a presidential burial vault installed overnight or a family storm shelter or a war memorial.

Since 1987, President Joe Suhor has taken Suhor Industries on a wild and profitable ride, creating a diversified concrete manufacturer and construction company that offers a range of death services and designs more war memorials than any other U.S. company.

And he has done it carefully and methodically.

"We're very selective in terms of what product or service we bring to an area," Suhor said.

Having worked for the company three years before he bought the manufacturer of concrete burial vaults, Suhor knew it had to diversify to grow. Burials were losing market share to cremations, wiping out most of the business growth forecast from the aging of baby boomers.

"If we have a sizable market share, we know that's not going to grow," Suhor said.

So SI found ways to diversify within the concrete products industry, buying companies and retooling factories to make everything from precast retaining-wall stones to septic tanks and feed troughs.

Rather than leave the burial business, SI also diversified there, adding products and services such as:

- Grave-digging and graveside service gear offered under contract to funeral homes and cemeteries.
- Grave markers and stone memorials.
- Preinstalled concrete lawn crypts buried in tight rows and two layers to allow efficient placement of caskets.
- Memorial niches for interring cremation urns in cemeteries or at memorial sites.
- Cremation, embalming, exhumation and other body-handling services.

"We diversified within the industries we know the best," Suhor said.

He estimated that SI had bought \$34 million worth of companies and said revenue has increased continuously.

"We've grown every year," Suhor said. "We started at \$11 million (in revenue), and we'll finish this year at \$65 million."

Investment banker Terry Christenberry of **Christenberry Collet & Co. Inc.** said Suhor is aggressive but patient when making an acquisition, identifying strong companies in strong markets, but not overpaying regardless of how attractive the business might be.

"I've known Joe to negotiate with people on an acquisition for two years," Christenberry said.

The funeral services industry has no shortage of targets because many businesses remain locally owned family operations, Suhor said.

Likewise, cement manufacturing plants often have local ownership, serving little more than an 80-mile radius because of the high cost of shipping products.

To preserve a new acquisition's market, SI traditionally has maintained company names after buying them. But Christenberry said the company has an acquisition team that moves quickly to bring new operations under the management of SI headquarters.

COO Dennis Welzenbach, who has been with SI nearly as long as Suhor and until the summer was CFO, said the headquarters' primary managerial role boils down to cranking out 78 comprehensive monthly financial reports with meticulous detail about each SI operation's profitability.

"This is, I think, the key to our success," Welzenbach said.



Dave Kaup | KCBJ

Dennis Welzenbach (left), COO of Suhor Industries Inc., and CEO Joe Suhor say they find ways to expand within the concrete products and burial services industries. "We diversified within the industries we know the best," Suhor says.

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With every manager fully apprised of the performance of his or her factory or operation, curiosity among managers helps spread the word about who's doing best, and competitiveness pushes the managers to produce the best results, he said.

"They are making decisions as if it were their own money," he said.

SI also harnesses the marketing strength of other companies by manufacturing many products under license. Its gravediggers' tents and graveside amenities carry the national brand of **Wilbert Funeral Services Inc.**, of which SI is the largest shareholder and largest U.S. licensee of funeral products.

Among those products was the extra-large burial vault Welzenbach rushed from Kansas City to Ronald Reagan's California burial site in June 2004 after a competing national funeral services firm discovered that the vault at the site was too small for the ornate presidential casket and called for help.

After years of operating with the Wilbert brand and the local company names that SI has acquired, the company this year has begun unifying many of its operations into six groups, including SI Memorials, SI Construction and SI Precast Concrete. The effort is intended to more clearly reflect the diversity of SI's operations.

With brands in some markets that are more than 100 years old, SI has had to make some tough choices about which names to keep, Welzenbach said.

"We are trying to phase out some of them," he said.

SI Veterans Memorials continues to tap the market for war memorials sponsored by small towns or veterans' organization's local posts. The Parsons, Kan., operation offers everything from fund-raising assistance to design services to construction and installation of memorial sites and memory gardens.

Another division helped renovate Liberty Memorial by producing donor bricks through SI Brick Blast.

Despite thorough research, some expansions have produced unpleasant surprises, especially early on, when equipment limitations or low ceilings unexpectedly interfered with efforts to produce new products in SI's burial vault factories.

But SI learned two lessons: how to better evaluate new products and how to retrofit factories when necessary. And the experience didn't dampen Suhor's enthusiasm for taking on new products.

In August, the company closed a deal to buy Boxco of Shreveport, La., a concrete manufacturer of precast curb drains and utility boxes.

"He's always looking for something new, something different he can produce," Christenberry said.

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