

When I was attending the Graduate School of Banking at the University of Wisconsin, I had an instructor who was lecturing about commercial loans. Even though that class was well over 15 years ago, one thing has stayed with me for a long time. He said that as bankers we are really frustrated entrepreneurs who live vicariously through our customers. We simply do not have the guts to do what they do.

As I sit down to write this special edition of Small Business Today, I reflect again on that statement. While I certainly admire the people and companies that I am going to talk about, there is no way I think I could run their businesses. Instead I am going to try and give you a little insight about a couple of local companies and help make Ankeny a special place to live and work.

My first interview was with a local trucking company who agreed to allow me to write about them on the condition that I not divulge their name. Frankly I was surprised and thrilled that they let me write about them at all! The company is not an Ankeny born company, but they have moved to Ankeny the same year I graduated from high school (more than 30 years ago) so they certainly qualify as an Ankeny grown company. This is truly a family run company with 2 generations working and more than 1 spouse employed. In all, 5 family members work there.

The founder of this local trucking company, who I will now call LTC, didn't even think about the business until his brother talked him into it. He was an electrician working on the high wires and living in Denver, CO, which is where they started the business. They moved to Ankeny in 1977 with 5 trucks so that they could be closer to American Freight, because that was their one and only customer. They picked Ankeny because the land was reasonably priced in our new industrial park.

The founder did not have a lot of extra cash in the bank. So like a lot of new business owners, he used the equity in his house to get a loan for his first trucks. Unlike a lot of new businesses, they were successful and used that success to move to Ankeny.

Not everything was sunshine and roses for LTC. Around 1988 their main customer went out of business, and they had to immediately find new customers or go under themselves. They were able to survive a major hurdle and find new business. Unfortunately they fell into the same trap as another major customer fell to economic hardship and left LTC with a lot of money invested in specialty equipment. With a little luck they were able to find buyers for the equipment and again find new customers.

I also had a chance to talk to the next generation of LTD. There are two sons; one handles the office, the other handling maintenance of the equipment and the shop. They were working at LTC since before they were old enough to work. Both boys were expected to help with the business whenever asked. Washing out trucks and sweeping floors were a part of their weekly routines. As I listened, I got the sense that working at a young age taught them the value of work and in particular

working with family. Working with their family was one of the main reasons they enjoyed working at LTC. The worst part was not being really to get away from the business for a vacation of any length of time.

One of the sons told me that the worst thing about owning your own business is the “vicarious liability”. When I asked him for clarification he said that ultimately they feel personally responsible for everything that happens in the company. If an employee makes a mistake, they end up being responsible, and have to respond. They respond even if they are sitting down having supper with their family or in the middle of the night.

Even with “vicarious liability” they think that the local trucking company is the best and that even though their business could operate anywhere, they couldn’t imagine working anywhere but in Ankeny.

The second business is one that was “home grown” right here in Ankeny. Most of us have either done business with Gordon or at least driven by his store “Bike Country”. Most of us have also thought that Gordon was the original owner of the bike shop. In fact, on May 1, 1984, fresh out of Iowa State University, Gordon bought an existing store in Ankeny and operated it right behind the existing Daylight Donut shop on NW Sharmin Street. He said he wanted to become involved with something he was very passionate about.

The day he opened he had an inventory of 25 bicycles and one part time employee. Originally his mother and father discouraged Gordon from buying the bike shop. He had a good job working for Hy Vee in Marshalltown and in 1983/1984 jobs were difficult to come by. He did convince them that this was indeed one of his two passions and they agreed to co-sign an SBA loan from Ankeny National Bank.

Because of his philosophy that he “will do anything to make sure that people are pleased”, Gordon’s business took off and surpassed his original business plan expectations. The bike manufacturers wanted to know what was happening in little Ankeny, IA and when they found out that Gordon was not the original owner, they cut off his credit. He now had to not only comply with minimum order requirements, but they also wanted cash before they would ship. A difficult task for any growing business.

But Bike Country did keep growing and soon outgrew the 1,500 square foot building. Gordon bought land in 1987 and built his store on East First Street where it stands today. He said he never thought about putting this shop anywhere but in Ankeny. Our city has been good to him and he tries to give back as much as he can. A sign of a very smart businessman.

Gordon did open a 2<sup>nd</sup> store for a while in S. Des Moines. The store took a while to be profitable and surprisingly was profitable when he closed it in 1997. The biggest problem was that he couldn’t be in two places at one time. The people that were running the 2<sup>nd</sup> store cared, but not as much as

Gordon, and that was a problem. When he closed the store, Gordon received an offer to buy it. But because it included the Bike Country name and he didn't have control over the service, he decided to simply close it down. He wanted to focus on doing business at home in Ankeny.

Gordon's favorite part of the business is when a parent brings in a child for their very first bicycle. Usually the kid gets to pick out the bike they want (within reason) and they take their very first test ride in the parking lot. The excitement from both generations is hard to describe.

The hardest part of his business is when the store is really busy and they can't serve everyone as well as they like to. Bike Country is multi-generational with Gordon's mother and his sister working at the store. All together he has 12 employees.

Thinking back again to that comment about bankers living vicariously through their customers, there is probably a bit of truth in there. But we especially try to emulate those successful hometown businesses like I described here. Those that call Ankeny home.

*Small Business Today is a bi-weekly feature written by Tom Friedman, president of First National Bank, Ankeny.*