

# Charting A Personal Path For Succession Planning

There's no official roadmap to follow when considering the potential for success of the family-owned business. Instead, it's much more worthwhile to consider how one business may be different from all others, and then bring to the fore whatever talents you possess to achieve success.



iven the number of variables that affect family-owned businesses, Joe Bertsch, Jr., is reluctant to offer advice to anyone else when it comes to succession plans or how to work closely with a family member. But rather than look for advice from Bertsch, it's worthwhile to consider the path he took to the head of one of the Midwest's more successful independent electrical representative firms.

NEMRA-member Joe Bertsch Electrical Sales, Cedar Rapids, Iowa, was founded by Joseph Bertsch, Sr., as a single-man operation three decades ago. Despite growing up around the business, Joe Jr. never had specific plans pointing to a career as an electrical rep. "When I went to St. John's College (Minnesota) with a major in business administration, I had no intention of getting into the rep business. Rather, I went to college and chose that major with an eye toward keeping all my options open," explained Bertsch. After earning his degree, one of those options presented itself. "Fortunately for me, following graduation in 1985, I was offered the opportunity to join the electrical distribution firm WESCO in Sacramento, California." Within two years at WESCO, he became an inside sales representative.

Looking back at the roots of his electrical career, Bertsch offered,

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"It definitely gave me a solid foundation in terms of learning what the electrical distributor's function is and their value in the channel. More importantly, those two years with WESCO put me in a position to understand everything the distributor does from warehousing to inside and outside sales. That experience continues to help me to this day."

### **An Opening in the Family Business**

It was in 1987 that Joe Sr. presented his son with the opportunity to join his electrical representative agency as the sales rep in the Nebraska territory. According to the younger Bertsch, "It actually came as a big surprise to me, but the timing couldn't have been any better. I was looking for an opportunity to return to the Midwest, and this position fit that goal very well." He added that in discussions with his father and employees of the agency, it seemed like a good time for him to take advantage of an opportunity to see what would evolve. "We really didn't have any long-term plans as far as succession at that time. Instead, it was simply an opportunity for me to get involved."

Inevitably the subject of planning for the successful future operation (i.e., succession planning) of the firm would increase in im-

## **The Joe Bertsch Electrical Sales Company File**

- **Founded:** 1969 by Joe Bertsch, Sr.
- **Headquartered:** Cedar Rapids, Iowa
- **Branches:** Des Moines, Iowa, and Lincoln, Nebraska
- **Number of employees:** 9
- **Customers served:** Primarily electrical distributors

portance. Bertsch explained, "We began with our thinking and planning for succession in 1990. We put some things together to ensure that when the transition occurred, it would be appropriate, smooth and at the same time give us time to work together and work through the process. Early on we decided that we didn't want to just flip a switch and have things change. The approach we took allowed us to evolve and to be more receptive to the concerns of employees, customers and principals. In addition, we could be proactive in the course of making the transition, to where there were no real problems or surprises."

Bertsch maintains that no direct concerns for the transition came from the principals, customers or employees. "What we heard was the support that let us know we could get this thing done. Their confidence grew from the realization that there would be a transition. Joe Sr. won't be here forever. We need a succession plan in place so we know that there is a future and direction to the business."

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**Change After  
Three Decades**

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As to how the change in leadership from Joe Sr. to Joe Jr., after nearly 30 years, affected the operation of the firm, the younger Bertsch was adamant that the move from one to the other resulted in no change in the company culture. “Both of us have the drive to service and support not only our manufacturers, but more importantly our customers. We continue to put forward a strong, knowledgeable, value-added agency that ultimately the customer can respect. We both have that initiative. And that’s how we’ve continued to run the agency. We’ve always striven to have an environment that is open-minded, encourages participation, and is fun to work in.”

If that’s the way both Bertshes are similar in their management style, Joe Jr. added that a difference between himself and his father might be that “I’m more of a participative manager. I try to gather as much information as I can from those that influence a

decision.” Part of that difference stems from the fact that, according to Bertsch, “My father established this agency himself and built it from a one-man operation to one with nine people. It was absolutely necessary for him to evolve into a front-line decision maker, and that’s what he did.”

He added, however, that all during the transition, and to this day, “my father has remained very open to the input of others. He has always accepted change and been a forward thinker. For instance, whenever we had a difference in how to approach a situation, we’d go through a lot of discussion, analyzing the ideas at hand. We’d work together to determine how to make sense of the situation. If we still had any differences of opinion, we’d be patient enough to listen and evaluate all the options. Then we’d make a decision we felt was best for everyone.”

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**Avoiding Family Conflict**

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Whenever the members of a family are further linked in a business venture, there’s always the danger of a carry-over from business to personal. Bertsch maintained that this was never an important factor in his relationship with his father or his activities in the agency. “In direct terms, obviously my father started and established the firm, and the days he had to spend on the road traveling was time away from the

family. That was unavoidable. But generally, the work environment was not brought to the dinner table. We’ve continued that way since I came to work for the agency. We’ve recognized our roles outside and inside the agency, and now we must work to keep them separate. There should be no conflicts on either side of the fence. We’ve been able to keep our jobs and our relationships in their proper positions.”

While obviously cognizant and proud of the smooth transition he and his father have been able to achieve, Bertsch was reluctant to offer any set-in-stone advice for others to follow when traveling a similar path. “Keep in mind that there are any number of differences and variables surrounding any family-owned business. There is no one-size-fits-all approach. You’ve got to consider:

- “How many children are there?”
- “Are they brothers or sisters?”
- “How many want to get involved in the business?”

“Answers to these and other questions have to be answered. Every succession plan is and should be unique because of the individuals involved.

“If I had any advice at all it would be to be patient, because as with anything that an individual has built on their own, or together with a partner, it’s difficult to let go. One has to be patient to allow for the settling of those emotional ties. And, together you need the commitment to move forward in order to transition to another generation, either family or non-family. Patience, truly listening to all parties affected, and effectively communicating your goals and objectives are critical when it comes to succession.” □

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