

OWNERS PREPARE TO TURN OVER THE REINS

ABOUT HERMANCE MACHINE COMPANY. In business since 1902, Hermance Machine offers a wide selection of quality industrial woodworking equipment, quality machine parts, and wood crafting supplies, serving industrial and hobbyist woodworkers worldwide. With around 25 employees, the Williamsport, Pennsylvania-based company also specializes in equipment refurbishing and offers a variety of quality used machines.

THE CHALLENGE. Hermance Machine owners Joe and Claire Strouse were anticipating a transition in the management of the company to their two sons. They needed professional resources with expertise in coaching family members in the process of a complex business succession, and reached out to the Innovative Manufacturer's Center (IMC), part of PA MEP - a NIST MEP affiliate, for assistance. IMC put Hermance Machine in touch with Galliard Group, a company specializing in family business succession planning.

MEP CENTER'S ROLE. Over several months, Galliard provided Leadership and Executive Skills Coaching to the owners, identifying the leadership skills and organizational culture required to support their long-term vision. Next, Galliard helped the company to develop an effective family governance plan that would produce a shared understanding among the Strouse family members. Galliard conducted private meetings with all concerned parties and used the information to facilitate a discussion with the owners, highlighting key trends, areas of agreement and potential areas for exploration, while carefully respecting the confidentiality of each participant.

With the governance plan in place, Galliard facilitated a one-day meeting with the owners and their sons to determine the strategic potential of the business, along with subsequent meetings to brainstorm different options for moving forward. The family discussed splitting the business, combined ownership, and selling—identifying the pros and cons of each option. After meeting individually with the sons to determine their preferred strategy for moving forward, Galliard devised a plan for moving in an agreed direction, including identifying the legal and financial steps that would have the greatest positive impact. Hermance Machine remained strong throughout the process, increasing and retaining sales and jobs. The investment is paying off in both short-term cost-savings and long-term success.

"Our 114-year-old company is ready for another generational change in management to assure the future growth and continuity of the corporation. We needed the professional resources of a consultant with expertise in coaching future family members, and with IMC's assistance, we are now well on our way to achieving the goal that was eluding us."

-Joseph Strouse, Owner

RESULTS



Increased/retained sales of
\$1,500,000



15 new or retained jobs



Cost savings of **\$100,000**



\$85,000 new investment

CONTACT US



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