

COATING

INSIGHTS



Kirk Pigatto
General Manager – Hentzen Coatings

Interview by Connor | Caitlin Talent Solutions



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In its 95-year history, Hentzen Coatings has selected its first non-family member, Kirk Pigatto, to serve as General Manager. Connor | Caitlin sat down with Kirk to discuss his new role within the Hentzen organization, as well as his thoughts and outlook on the coatings industry and recruitment, development, and retention of talent.

In 1999, Kirk Pigatto entered into the coatings market as a degreed chemist and spent his first couple of years in an R&D setting. That start provided a foundation for his career in the industry and anchored him with knowledge that he's been able to leverage throughout his profession. "The first part of my career was heavily focused in the fluoropolymers market—somewhat of a niche market," Kirk stated. "But it afforded me the opportunity to grow and experience a lot of different aspects of the business cycle that I wouldn't have been able to do in other settings."

In 2009, Kirk made a strategic move from the Chicago area to the Milwaukee area to work for Hentzen Coatings in the role of Sales Director for the Industrial Coatings Division. In this position, Kirk was instrumental in contributing to the company's growth in the coatings industry. "With regards to strategy and the things that Hentzen wanted to accomplish, we were very heavily involved in the defense market. There was a desire to grow and put more emphasis in the Industrial Coatings segment. In that time, we were able to design and build a close-knit team within the entire Hentzen organization," Kirk said of their ability to align with the Hentzen's family vision to achieve the company's coatings industry growth goals. "We experienced a lot of success and it's

been a great ride."

Just recently in March, Hentzen selected Kirk from its team of exceptionally talented leaders and promoted him to the General Manager role, overseeing all Hentzen operations. "It's an absolute honor to be in this role. It's the first time in the history of Hentzen where they've had a General Manager that was not a part of the direct family," Kirk stated. Earning the trust of the Hentzen family for this designation was a recognition that he did not take lightly. Even with Kirk's appointment to the GM position, the Hentzen family is still very involved in the daily business. "Steven Hentzen, my boss, has assumed the role of President of the company. I work daily in collaboration with Steven and the other Hentzens who are also heavily involved in the business."

Now, Hentzen is approaching its 100-year anniversary and is still growing. With this, Connor | Caitlin asked Kirk, "While most coatings companies are relatively stagnant in organic growth, Hentzen continues to grow, expand, and thrive. What can you tell me about your secrets to success?"

"There are various factors that play into that, but it is really quite a simple formula," Kirk replied. "I think first and foremost, just understanding who we

are and where we fit in the marketplace. Our commitment to coatings excellence is ingrained in our culture. We really seek to develop the highest performing products that align with our customers' needs. Our customers' needs are generally performance driven and/or process driven. Our ability to partner, execute, and deliver in those areas has really been at the core of our success."

"The most important factor that goes into any acquisition in making sure that it would be a good cultural fit."

Connor | Caitlin noted organic growth as one the biggest areas of achievement for Hentzen and wanted to explore how they have managed to successfully assimilate new companies. "You've also made some strategic acquisitions over the years like the Batavia plant that you've acquired from BASF. What do you look for in organizations during your due diligence that makes them a fit for Hentzen? Overall, does cultural fit play in your evaluation?"

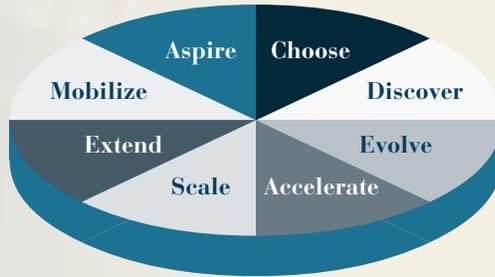
CULTURE =
3 X's HIGHER SUCCESS RATE
Mergers and Acquisitions with a focus on culture have a success rate that is three times higher than mergers without a cultural focus.

"Several factors play into that, such as strategic alignment and how well they complement our existing portfolio. Those two factors are certainly high on the list of things that we're looking for. In addition to that, the size and the scale of the acquisition are also very important to ensure that it's an opportunity that we can properly manage and integrate. As a family owned company celebrating its 95th anniversary, I can say that **culture** is probably **the most important factor that goes into any acquisition in making sure that it would be a good cultural fit**. If that's not seen in the process, there's a pretty good chance that we would not proceed with any acquisition."

"There's been a heavy amount of traffic or focus on consolidation. How does a niche player like Hentzen stay ahead of the curve and keep itself fresh?"

"Consolidation activities continue to be a primary growth strategy for many of the industry leaders and I don't really expect that to change. While industry consolidation poses threats to our business, it also creates opportunities. Consolidation leads to integration challenges for any business, but Hentzen's problem-solving and solution-driven approach has proven to be a winning formulation for new and existing customers. "As far as how we keep ourselves fresh," Kirk continued, "there are many exciting initiatives to keep us renewed. For example, we're in the process of opening a brand new, state-of-the art powder coatings facility here in the Milwaukee area. We're moving from a smaller facility to a 120,000 sq. ft. dedicated powder facility that I have no doubt will be one of the most state-of-the art facilities in the country. We're making investments in our Enterprise Resource Planning and in making sure that our systems put us in a place to succeed for the future. We're also entering into new markets. We're very selective and we try to play in markets where we make a difference, carve out a niche, and deliver the same value we have to other customers in our portfolio."

TESTING FOR INNOVATION



ASPIRE.

Do you regard innovation-led growth as critical and do you have cascading targets that reflect this?

CHOOSE.

Do you invest in a coherent, time and risk balanced portfolio of initiative with sufficient resources to win?

DISCOVER.

Do you have differentiated business, market, and technology insights that translate into winning value propositions?

EVOLVE.

Do you create new business models that provide defensible and scalable profit sources?

ACCELERATE.

Do you beat the competition by developing and launching innovations quickly and effectively?

SCALE.

Did you launch innovations at the right scale in the relevant markets and segments?

EXTEND.

Do you win by creating and capitalizing on external networks?

MOBILIZE.

Are your people motivated, rewarded, and organized to innovate repeatedly?

“Over the last decade, Hentzen has also invested in international expansion to regions such as Mexico, India, and China. These have been rewarding ventures that have enabled us to reach a broader and larger customer base. We continue to grow our strategic partnerships with our supply base. **These strategic alliances have led to ongoing innovations** which have essentially raised the bar by delivering best-in-class solutions to our customer base.”

While Hentzen’s growth has been tremendous, most companies would acknowledge that its

success was due to its most important assets—its associates. Connor | Caitlin looked to find out how Hentzen continued to build successful teams. “Let’s talk about talent because that’s something that’s important to every company, probably critical to the success of every company and the coatings industry is no exception. How do you assess the overall supply and demand of the talent in this business?”

“Well, I think demand is certainly at a premium right now and that there’s a limited supply. I believe all industries are facing this challenge as it relates to succession planning, as younger

91%

The graphic shows the number 91% in a large, bold, blue font. To the right of the percentage is a blue icon consisting of a bar chart with three bars of increasing height and an upward-pointing arrow.

91% | High growth company leaders say they will need more highly skilled workers as a percentage of their workforce.

generations have largely been attracted to other industries.

“How much time do you spend thinking about the talent you have and the talent you will need for future growth?” Connor | Caitlin asked. “Daily,” Kirk responded, “**as we experience growth and manage growth initiatives where we’re constantly assessing our existing talent base and new talent.**”

Connor | Caitlin reflected on how most paint companies are heading toward a mass retirement of crucial positions in the next decade and asked, “With the low unemployment rate and fewer-

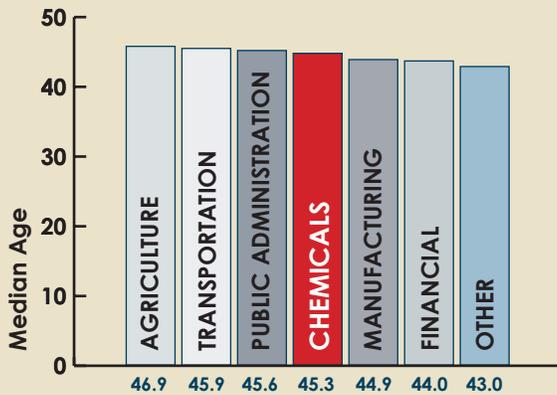
skilled candidates available in the industry, what is Hentzen doing to prepare for the future, as far as attracting and retaining talent across the board? And how have you seen the process for attracting, developing, and retaining valuable employees change in your years in the coatings industry?

“There’s been a big push on attracting entry-level talent and having them participate in robust mentorship programs,” Kirk replied. “This is true at all levels of the organization. Employee retention has also been a key focal point. More so than ever, I’m seeing a commitment to employee development and retention.”

About Hentzen Coatings, Inc.

Headquartered in Milwaukee, Wisconsin, since 1923 Hentzen has specialized in the development, engineering and manufacturing of liquid and powder coatings, primarily for aerospace, military and general industrial (GI) applications. Hentzen Coatings are custom engineered to perform in extreme conditions and are continually improved to meet exacting customer and exceed market-driven specifications. Hentzen stock and custom products are manufactured in its state-of-the-art laboratory and testing facilities in Milwaukee, Wisconsin, Batavia, Illinois, Greenville, South Carolina, and Clearwater, Florida.

Median age of chemical employees compared with other industries



“What challenges does Hentzen foresee in the coatings industry for 2019 and beyond? What does Hentzen plan to do to mitigate these challenges?”

For this answer and more, see Part II. Coming soon. ■

About Connor | Caitlin

Connor | Caitlin was founded on the principle that great business integrates a world-class People Strategy into its core philosophies. Our team delivers Talent, Leadership and Human Capital solutions that meet the ever-changing dynamics of your business.

At Connor | Caitlin we understand distinction in talent is at the core of your business advantage. What you do different from the competition is the lifeblood of your company.

Our success is paramount in the Talent we help you source, hire and develop. It's with this in mind that our relationship-driven partnership lasts far beyond the assignment and fee, in fact our goal is not to replace your Recruitment, Leadership Development and Human Capital efforts, but to speed-up and grow your talent initiatives with our best-in-class techniques dedicated to locating and placing Difference Makers with you. We pride ourselves on providing an exceptional level of service to every client and candidate.

We believe – The greatest products, the best service and the most complex business problems are solved through people. We will help you find, develop and lead that Talent.

Contact us for all your talent solutions:

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Endnotes

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