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Approximately 1,000 words

## REB ROD - A NEW WAY TO RETIRE

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Photographed by Richard Grayson

Retirement no longer means the end of the story. For some people it is only the beginning of a new and exciting chapter in an already successful and productive life.

Clarence Bauer took early retirement so that he would have more time to hunt and fish. Now he is so busy making the

fishing rods that he hardly has time to use them.

Bauer and his wife Alice grew up in Chicago. At the age of 18 he went to work for General Mills. He stayed there 40 years, 30 of them in production and personnel management.

On vacations, Bauer and a fishing pal, a manufacturer's representative for a fishing rod company, talked of starting their own business.

Bauer wanted to run a business utilizing the principles he developed at General Mills and reflecting his own deeply felt religious beliefs as an active Lutheran layman.

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In 1976, age 58, Bauer retired from General Mills. Ray Bauer, their son, a tool and die maker, had just returned from service during the Vietnam war. Ray and Clarence became equal partners in REB ROD, the company named for Ray's initials and the "rebel" country in northwest Arkansas where they both moved with their families. Clarence and Alice bought their home on a bluff overlooking the White River, known for its trout fishing.

With the advice of their friend in the fishing rod business and \$10,000 initial investment, they rented their first building in Cotter, Arkansas, and began assembling fishing rods under their new brand name.

For the millions of fishermen in the United States, the market can be divided into two parts. In the low-price range are the well-made but modestly-priced rods sold by such retail giants as K-Mart and Wal-Mart and mass-produced in Korea, Taiwan, and Japan.

The avid fisherman soon outgrows these rods. He aspires to a rod designed specifically for a particular fish and fishing location. Retailers may handle hundreds of variations of fishing rods to supply these needs.

When Reb Rod started, it tried to compete with the low prices of the Orient suppliers. #

For the first six years, it was touch and go. Eventually, they had to invest almost \$70,000 of their own money in the business. "However, we never missed a payroll," Bauer says, "and I only had to call a supplier once to say his check would be late."

"That person became our biggest booster. He sent us our first private label customer who is still with us today. He said that no one had ever apologized to him for a late payment before."

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"Our business really took off in 1982 when we decided to concentrate on the private label upscale market. We no longer had to spend money on salesmen or advertising. The customers came to us. Word just gets around in this industry if you can provide quality and service. We have never been busier."

Reb Rod now operates out of its own new metal buildings in Flippin, Arkansas. There is plenty of room for expansion. Ray supervises production and designs and develops the factory equipment. Clarence plans operations and orders supplies. They both do customer contact and service. Alice helps wherever needed. They even hope that Bob Bauer, the elder son still in Illinois, will join the business and move with his family to Arkansas someday.

They buy the rod components from American manufacturers. They train their employees to assemble the parts and tie on the thread guides following the specifications given by the customer. They cover

the threads with a two-part liquid polymer. The rods vary from four to 12 feet in length, and are usually made of graphite, a space-age material. So far, they have made 111 different models but they will make any design a customer may order.

Last winter they had six additional employees and will expand gradually until they have at least 15. "Anyone can hire lots of people to get the job done," Bauer says. "Our goal is to be efficient with the people we have. We don't like to fire people - that's not fair to them. Moreover, it makes our unemployment insurance go up. We train our employees to do several jobs and try to level out production so we can keep them all working."

"We try to hire handicapped workers and one stayed with us for nine years. She said we were the only ones who ever gave #####

a chance. We want to be known as the best place to work in Flippin."

Wages are low in Arkansas, starting at the minimum of \$3.50 an hour. "We want to develop programs to share company profits with our employees," Bauer continues. "We have instituted a bonus program to reduce absenteeism - \$300.00 each quarter to every employee who has perfect attendance. We are still too small for

some comprehensive benefit programs but they will come."

"One reason for our success may be that we operate on a 10% markup for the profit on the final cost figure. One of our bank officers told me -you can't succeed with such a low margin# I just said to myself, I won't let this business fail. I wanted to prove that we could be successful doing it our way. I don't care how much our customers mark up our products. I figure that we can be successful if we only clear \$1.00 on each rod we make. One customer even asked if he could fly down and see our operation. couldn't believe that we could make a quality rod so economically."

"We tell our customers: once you work with us, we become an extension of your company and we will always do what is best for you. We're in the process of installing our own computer. In the meantime, we ask our customers to give us their own computer printout of their inventory position, their history of selling by each month of the year, and their backorder position. That way we can look at the figures and say - we better make#x# number of each kind of rod and have it to you by such a date. That way we save them money on inventory and level out our own production."

Reb Rod may soon have one problem. How do you stay small! enough to keep control.# To Clarence Bauer, also known to close friends as "Tiny" - a!! 76 inches and 230 pounds of him sma!! is beautifu!.

"Some people mistake bigness for greatness," says Bauer. "Small! businesses with less than 200 employees make up 90% of our country's economy. We have found a comfortable little market niche. We don't want to get too comfortable. You will never do a good job unless you are concerned about doing a good job."

Bauer sums it up. "The mora! of the story is to do the best job you can and keep every one happy so no one !ooks for an opportunity to go someplace else."

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