

Article Reprinted from the St. Louis Post-Dispatch Sunday, November 18, 2008

Bill McClellan was so impressed with John's famous plant tour, that he was compelled to feature Schaeffer Manufacturing Co. in his column! Mr. McClellan is known the world over for his unique writing style and the fascinating subject matter of his columns in the St. Louis Post-Dispatch.

BILL MCCLELLAN

Family-owned business greases gears of history

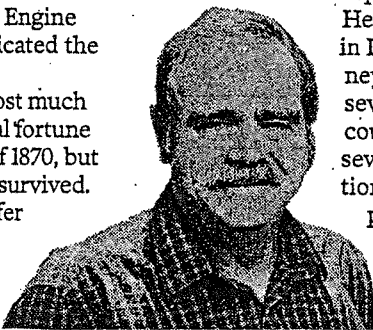
The economic downturn is playing havoc with a lot of businesses, but the folks at Schaeffer's Manufacturing don't seem concerned. After all, their company has survived perilous times before. Like the Great Fire of '49. That's '49 as in 1849.

A fire began on a steamboat, spread to 23 other steamers, jumped to the piles of freight on the levee and eventually burned down a good chunk of what is now Laclede's Landing, which is where Schaeffer's was then located. The only piece of equipment from Schaeffer's that survived the Great Fire was a hammer, and it is now on display in the lobby of the company's present location on Barton Street just south of downtown.

The fire did not stop Nicholas Schaeffer, the German immigrant who had founded the company in 1839. It was, in those days, a manufacturer of soap, candles and axle grease. For those of us who have grown up with electricity, it's hard to fathom how important candles once were. Speaking of the California gold rush, people at Schaeffer said, "We lit the way."

It was another Schaeffer's product, Black Beauty Grease, that lubricated the wheels of the wagon trains that headed west, and yet another Schaeffer's product, Red Engine Oil, that lubricated the steamboats.

Schaeffer lost much of his personal fortune in the Panic of 1870, but the company survived. When Schaeffer died in 1880,



his son, Jacob, took over. He led the company into the age of electricity, which was not a god-send for candlemakers. Jacob's son-in-law, William Shields, led the company through the Great Depression.

The fourth generation, Tom and Gwynne Shields, took over after World War II. Tom had been a glider pilot during the war, and he knew that the Army Air Forces was using a metal, molybdenum, in its lubricants. Schaeffer's followed suit and the company, which had nearly gone under in the Depression, began to grow again.

Grease was then the name of the game. Grease to lubricate the machinery that was building the postwar world. Fortunately, Schaeffer's had a genius of a grease-man, Mike Ryterski. He started at Schaeffer's in 1940. He served in the Army Air Forces during the war and returned to Schaeffer's afterward. He developed a grease for gears that operate in open air. Shell Oil tried to duplicate it, could not and eventually signed an agreement with Schaeffer's to use Ryterski's product, Silver Streak, all over the world. Ryterski is now 89 years old, and he still comes to work three days a week. He heads research and development.

He grew up on a farm in Illinois near Pinckneyville. He finished seventh grade. How could a man with a seventh-grade education come up with a product that Shell's engineers could

not duplicate?

He shrugged. How did it come about? He said that a salesman was selling to coal mines and complained to him that the grease for the heavy machinery wasn't getting the job done. The gears were not enclosed. "So I started in thinking we needed a heavier oil that wouldn't squeeze out in the air," he said, as if it ought to make sense to anybody. "So I just started mixing."

He does not have a desk. He works on his feet. To illuminate his work space, he pulled a string, and a moment later, an overhead fluorescent light came on.

That might seem a little odd, a little dated. Well, if you go to the vending machine on the production floor, you can buy a Coke for 15 cents.

Yet, in 1998, the RCGA named Schaeffer's one of the 50 fastest growing high-tech companies in the area. And it was, and is, fast-growing, and the world of specialized lubricants is indeed high-tech. People in labs are checking viscosity and purity and new additives are being developed.

Still, it seemed old-fashioned when I visited last week. "This is our new plant. It was built in 1880," said company chairman, John Schaeffer Shields. He and his sister, the late Jackie Schaeffer Hermann, took over the company in 1982 when their brother, Tom, died. Gwynne died earlier.

One of the first things Shields and his sister did was put 51 percent of the family-owned stock in an irrevocable trust for

the next 100 years. That would ensure, Shields explained, that the company cannot be sold. The notion of family business is taken seriously. In fact, Schaeffer's is the oldest family-owned business in Missouri.

Shield's son, Jay, is the company president. Hermann's son, Tom, is the CEO. Tom's daughter, Jill, who represents the sixth generation, is head of quality control. Her cousin, Will Gregerson, is comptroller and treasurer. The offices are very modest. None of the executives have a secretary. The atmosphere is informal. Many of the staffers I met said they have been there for years. Some have children working there.

Every month is a new record sales month. Schaeffer's lubricants are sold in 55 countries. Sales are expected to hit \$100 million next year.

The phones are not automated. "Oh, I hate that 'press one, press two' thing," said Shields. If you call, you get a person. Debbie Townsend answers the phone. "And everybody takes phone calls, even if they're in meetings," she said.

There are about 55 people working in the office, and about 25 in the production facility. There are more than 500 salesmen.

"People come here, they tend to stay for years," said Shields.

Have there been many offers to buy the company?

"Dozens of requests," said Shields. "We're not interested. I always explain that we have that irrevocable trust. We're planning on keeping this going indefinitely."

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