

Broadening Horizons

Recently acquired GAL Manufacturing Corp. finds a renewed entrepreneurial spirit, sense of innovation along with the change in ownership.



The Hollister-Whitney offices in Quincy, Illinois

by Angela C. Baldwin

When Bronx, New York-based GAL Manufacturing Corp. opened its doors more than 90 years ago, the age of the skyscraper had barely begun, and the New York City (NYC) skyline looked very different than it does today. There was no Empire State Building or Chrysler Building. There were no supertalls or super thins. There were no cranes blocking the sun. But, there would be, and soon, and GAL, begun by Herbert Glaser, Jack Ambramowitz and Harold Leon in a small basement at 178th Street and

Amsterdam Avenue, would be there for it all.

The small operation, founded as G.A.L Electro Mechanical Services in 1927, sold its own line of gate switches, interlocks and door operators locally. It didn't take long for the company to gain a reputation for high-quality products, good customer service and true engagement in an industry that was changing as fast as the NYC skyline. Eventually, the company grew from a local supplier of lift products into a major national provider.

“We want to be a national solutions company for independents, a one-stop shop for companies - one order, one invoice. This is what people want today.”

- Mark Boelhouwer



The GAL leadership team at a recent meeting; since this picture was taken, the group has grown, as new hires have come on board.

By 1960, the company bought Hollister-Whitney Elevator Corp. in Quincy, Illinois, allowing GAL to broaden its line of nonproprietary equipment offerings and increase its R&D capabilities, while keeping costs down, and better coordinating distribution and customer service. In 1967, the company was renamed GAL Manufacturing Corp., and, in 1970, moved to its current 100,000-sq.-ft. location near Yankee Stadium in the Bronx, a far cry from the cramped basement. In 2005, GAL Canada was created in Mississauga, Canada, again enlarging the GAL family of companies.

Over time, a second and third generation began running the family business. Sons of founder Herbert Glaser, Walter Glaser and Herbert Glaser Jr., remained at the helm for decades, and GAL continued to be an expected, welcomed presence at industry trade shows and a trusted name throughout the industry. GAL's ownership was so steady that many in the industry were stunned when, in June 2017, it was announced that GAL, GAL Canada and Hollister-Whitney were acquired by Golden Gate Capital (GGC), a leading U.S. private-equity firm based in San Francisco. Despite GGC's diverse portfolio of prominent companies in industrial manufacturing, software,

semiconductors, retail and financial services, its name wasn't so familiar to the elevator industry or, more specifically, to GAL's more than 850 employees, all of whom had signed on to work for a family-owned company with deep roots and longstanding relationships in the industry, not an equity firm.

"There was definitely some apprehension on the part of the GAL team upon first hearing about the acquisition,"

admitted GAL Vice President of Sales and Marketing Steve Ort. Steve Husband, president of GAL Canada, agreed:

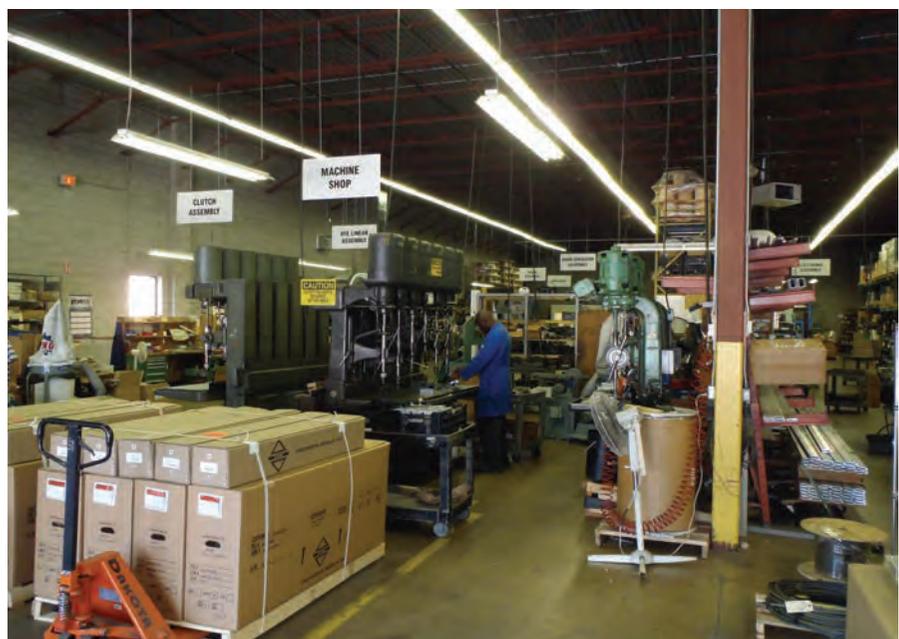
"There was a fear of change at first – and shock. Employees want to know, 'How does this affect us?' We'd been a family company since the beginning, but Walt and Herb helped give us a way to explain this change. We had companywide meetings, but the truth is, even as I explained the change, none of us could know what was coming down the road."

For Husband, it was the eventual revelation of the new leadership team and their long histories in the industry that made all the difference. He states:

"This is what finally settled us. There was a comfort level there with Mark and Angelo and the other members of the new leadership team. Most of them come from the contractor side, as opposed to the supplier side, but they are still experienced elevator people. They've even helped us become a better supplier by helping us understand the customer better."

The "Mark and Angelo" Husband refers to are Mark Boelhouwer and Angelo Messina. At the time of the public announcement of the acquisition, Messina was named Chief Financial Officer, a position he previously held at Otis, and Boelhouwer was named president and

Continued



The GAL Canada manufacturing facility



companies to work together more than ever before, while working towards being the best customer-centric organization in the industry.”

Indeed, a major change effected immediately upon the acquisition was having all three companies working as one. “In the past, everything was run separately. Now, we’re working together, with the belief that this will improve our communication, coordination and customer service,” explained James Varon, vice president of

The final door equipment conveyor line in the GAL Bronx facility

Engineering, who has been with GAL for 37 years. Prior to the acquisition, Varon managed the engineering department for the NYC office; now, he presides over the engineering departments of all three offices. “We are pooling the talents of our current engineers, as well as hiring more engineers,” he said.

According to Brian Musholt, president of Hollister-Whitney, the acquisition, which infused GAL with resources from GGC, has also allowed for facility improvements aimed at enhancing employees’ work environment. “Additionally, we are investing in new equipment to increase our operational efficiency and quality, as well as facilitating additional capacity for new products we will be introducing in the future,” Musholt said.

New GGC resources also have helped push products from the R&D phase to the ready-for-market phase much quicker, according to Varon. “We have five new products we are working on, including linear door operators, hydraulic controllers and low-profile permanent-magnet machines, and they all should be out this year,” he said.

According to Varon, the most exciting thing about the acquisition goes beyond new products and new hires to a new mentality:

“The absolute most exciting thing has been going into the offices of top *Continued*



CEO. Boelhouwer came to GAL by way of Oracle Elevator, a company he owned that was a longtime customer of GAL’s. Oracle, too, was recently acquired by an equity firm, so Boelhouwer understood well the challenges of GAL’s former owners and the feelings of the company’s employees. He explained:

“We are sensitive to the family legacy, and we want to preserve the family-oriented atmosphere, which is very different from a corporation’s. And, we are elevator people, and we’re going to continue to support the industry as always. GAL has been a cornerstone for independents, and that’s something we don’t want to ever change.”

According to Ort, employees’ early feelings of apprehension were short lived. “We are all excited now. The employees see new possibilities, an opportunity to freshen things up, and there’s a feeling of entrepreneurship that, I think, Mark Boelhouwer brings to the table and everyone shares in.”

According to 30-year GAL veteran Paul Seifried, vice president of operations and the grandson of founder Herb Glaser:

“The thought of the [acquisition] was like standing on uneven ground after having such stability for so many years.

More acquisitions are planned to bring GAL closer to its existing customers and expand its customer and product base.

I’d say that the uneven ground was the start of the climb to take the business to a new level. Some disruption was sorely needed. And, Mark quickly found where to focus the companies’ energies and has been in the process of building out an excellent management team to carry out the important mission of integrating the



Ort



Boelhouwer



Varon



Husband



Messina



Musholt



Seifried

management and saying, ‘Here’s what I need to get this product or project completed and ready for the customer,’ and getting the ‘Yes,’ every time. We want to be a solutions provider, and we’re getting to be.”

Husband gives credit for the new ‘yes’ mentality and synergy to GGC, Boelhouwer and Messina. “They all know how to do this. This is their skill set,” he explained. “What employees are seeing is growth and change and more opportunities than there have been for quite a while. This makes employees feel secure and excited about the future.”

While employee security has been a focus of GAL since the acquisition, so has the GAL customer experience. According to Boelhouwer:

“GAL has always been an engineer-minded company. Now, there are some people here from the contractor side of the house, from the service side, and we want to go out and see what people want, and then make that. Fifty percent of GAL’s sales have come

from the New York area, but we want to be a national solutions company for independents, a one-stop shop for companies - one order, one invoice. This is what people want today.”

GAL plans to increase its reach in a couple of ways: by improving its proximity to customers through more locations and by having more GAL representatives in the field. GAL’s recent acquisition of St. Louis-based Comprehensive Manufacturing Services, LLC, also known as Courion, enhances the company’s presence in the Midwest, while increasing its portfolio with “highly complementary” products, according to Boelhouwer.

According to Courion President Robert Jackson, becoming part of the GAL family has been easy so far:

“We are already working with GAL to integrate our products into their offerings to their existing customers, and we are doing the same with the GAL/Hollister-Whitney products. Over the long run, we hope to make life easier on our customers by providing the best quality and most vertically integrated product offering in North America.”

More acquisitions are planned to bring GAL closer to its existing customers and expand its customer and product base. Part of what GGC brings to the table is the expertise to help GAL build its core markets, develop new markets and applications for its products, expand its reach around the globe, and broaden its product line. More than just acquiring existing businesses, GAL has plans to open new strategically placed locations throughout the U.S. to better serve its existing customers and meet with more potential customers. So far, new offices are planned for Miami, Los Angeles and Chicago, with staff and office space being secured as we go to press.

With so much change in such a short amount of time, there’s a lot to take in as everyone navigates the new path. Seifried and others point to tradition and continuity of mission as keys to future successes. Boelhouwer stresses industry relationships and listening to customers. Varon and Musholt point to growing resources, new hires and new facilities to help answer the call of customers. Maybe Ort covers it best by simply saying, “These are interesting times at GAL. Are there changes at GAL? Yes. But, they are positive changes for the industry and our customers.” But, it is GAL’s website, new since the acquisition, that takes the company full circle, remembering its roots, its place in New York’s history and the importance of the elevator industry everywhere: “True, the NYC skyline was designed and built by others, but the breathtaking view that millions enjoy daily — that was brought to you courtesy of companies like us.”

YOUR EXPERT SOURCE FOR ENCODERS



PRODUCTION AND DESIGN
HOLLOW SHAFTS 1/4" to 4" BORE
SOLID SHAFT ENCODERS
INCREMENTAL & ABSOLUTE
FIVE YEAR WARRANTY

Industrial Encoder Corporation
 Toll Free: 1-888-277-6205
 www.globalencoder.ca

