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Pat Koppa's voyage to embracing employee ownership

BY RICH KIRCHEN
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Pat Koppa's desk in his snug office at PFlow Industries Inc. faces photos of him aboard nuclear-powered fast-attack submarines he helmed as a U.S. Navy officer in his 20s.

"I liked it a lot – I look at that often," Koppa said. "Driving it – there's no better job than on the bridge of a sub."

Koppa ended his Navy career after seven years, attained an MBA from the University of Wisconsin-Madison and entered the corporate world at Harley-Davidson Inc. in Milwaukee.

His voyage through Milwaukee-area executive roles landed him over three years ago at a new happy place leading employee-owned PFlow Industries.

The company's name is pronounced "Flow" and is derived from the spelling of co-founder Bob Pflager's last name. PFlow's plant on Milwaukee's far north side manufactures material-handling lifts and Cartveyor brand shopping-cart escalators.

Koppa, now 58, said his passion is creating a business with a purpose including engaging employees in improving quality and increasing profits. PFlow provides that opportunity through its 100% ESOP status, he said.

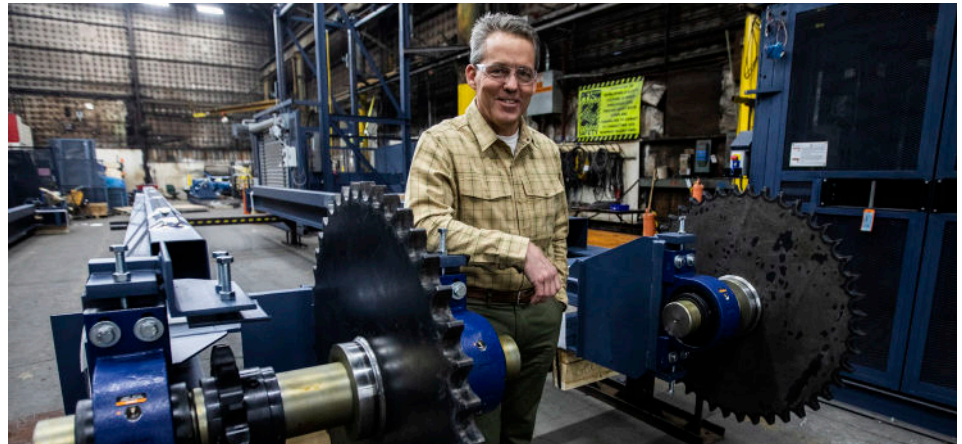
"I'm a leader – I want to lead something good," he said. "So, if you have something with a purpose, I feel like people will come to work feeling like they're not just coming for a paycheck."

Koppa held executive roles at a large publicly-traded company in Harley-Davidson and later at smaller privately-held companies Power Test Inc. in Sussex and Forrer Business Interiors in Glendale. He believes PFlow Industries is the right size for this phase of his career with \$61 million in revenue in 2022 and about 170 employees.

Company chairman Ted Ruehl and Koppa connected through a TEC (The Executive Committee) group, Koppa said. Koppa started as president with Ruehl serving as CEO until entering semi-retirement in 2021 and full retirement in January 2022.

Koppa retains the president's title with Ruehl serving as chairman. Ruehl held a 20% stake in the company until PFlow Industries became 100% employee owned in September 2021.

After Ruehl held leadership positions in the com-



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pany for 40 years, Koppa brought a new perspective, said engineering director Mike Reilly.

The building's exterior and offices hadn't been updated in decades and Koppa initiated remodeling as well as adding an employee lunch room. Koppa is holding employees accountable for improving the business even as he's embracing the ESOP, said Reilly, who's been at PFlow for 16 years.

"When you are around Pat, he's always got that positive attitude," Reilly said. "He's positive about the future of the company and motivating people to share the vision."

The vision blurred during late 2021 and the first half of 2022 as PFlow's profits were squeezed by rising materials costs and cutbacks in orders from its largest customer Amazon, Koppa said. He decided to reduce the company's workforce by 30 while taking other actions to buoy PFlow's finances and solidify the future of the ESOP.

One Saturday at home, Koppa said he created an easy-to-explain guide for demonstrating to employees the value of the ESOP.

"I'm convinced we need to show them the benefit in dollars and cents," he said.

Koppa gave the example of a 26-year-old welder whose hourly wage is \$21. With the addition of the welder's ever-growing ESOP holdings, his hourly wage effectively increases by about \$9 over the long run, Koppa said.

The ESOP creates long-term wealth for employees and they don't have to contribute, he said. As long as the company is profitable, the ESOP stock price continues increasing, Koppa said.

Koppa said one of his top priorities is educating employees on the ESOP's benefits.

"This is an opportunity to run a company where everybody shares in this," he said. "It's a chance to create a culture that cares. I think it's a huge personal pay off for my career in corporate leadership."

Pat Koppa

Title: President
Company: PFlow Industries Inc.
Education: Bachelor's in mechanical engineering and MBA from UW-Madison
Military service: U.S. Navy - nuclear submarine officer 1988-1995
Family: Wife Laura; four adult children ages 21-29
Hometown: Milwaukee
Residence: Glendale
Age: 58
Early job: Produce manager at his father's Koppa's grocery on Milwaukee's east side
Music: Huge John Denver fan
Favorite national park: Yosemite
New endeavors in his 50s: Fly fishing, playing acoustic guitar