

[Excerpts]

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How One Man with Vision Realized a Dream

Why Understanding One's Values and Adhering to Them is Essential

to Success in Business and Life


Preface

Mike Orazen, II (aka "Spike") is a lucky man. He's the son of Michael C. Orazen, Sr., founder of EPG, who taught him well. Spike's lucky because he has the unusual calm necessary to recognize what's good, and what's important about his family and his father, and business. To Spike, good things shouldn't be taken for granted. He recognizes the unique combination of vision, effort, persistence, and values that are essential to success in business and in life. He honors his father and his mother for giving him the opportunity to see and understand these things.

Spike believes that the factors at the root his family's and EPG's success are worth remembering. EPG became a success because of its values and corporate culture, and this book is both a tribute and a way to *remember* "what made it work and succeed." It's not just for those who experienced EPG personally to wax nostalgic, but for anyone who wants to understand the path to prosperity: family, love, and consistently-applied values.

This is a story about the American dream. About struggling through to the end, and never giving up.

Chapter 1 – How it Began

The second of five children of a proud Yugoslavian immigrant, Michael C. Orazen, Sr. (MCO) was quite a fellow, and quite taken by the American Dream – his father had arrived on a boat from Europe in 1907 at the age of four. MCO spent his entire youth in the tough ethnic and industrial neighborhoods of E. 185th Street in Euclid (Cleveland), Ohio during the 1950s and early 1960s, a place where one's ethnicity was a cultural imperative. This environment had steeled his determination to prove himself and tempered his understanding of life, and what to expect of himself and others. His early history and upbringing shaped Mike's vision. 

It was also there in that ethnic industrial neighborhood that MCO came to understand the beauty of capitalism and freedom. A man could be anything he set his mind to. Euclid Beach Amusement Park and the LaSalle Theatre entertained, but it was the hum of industry that made anything seem possible. The contrast between successful business owners (many small and large manufacturers) and the despair and failure of an industrial town's less fortunate was stark. It didn't take a genius to recognize which was which, and why, but it did require astute observation of the world as it was. This was MCO.

Growing up, MCO witnessed his father's work environment at Addressograph-Multigraph's 3,000-employee facility in Euclid. His father worked there as a machinist for 35 years before retiring; so did many of his father's extended family. All were "hourly" employees and proud members of the Industrial Association of Machinists union (IAM). The IAM and Addressograph-Multigraph's management didn't exactly have a good relationship. IAM went on strike frequently. At family

gatherings conversation often revolved around work at Addressograph-Multigraph, and Mike was astonished that these folks, his family, could “spend every workday in an environment with so much hate, distrust, animosity, and lack of respect.”ⁱ

His entire family, it seemed, lived and breathed the blue-collar life and the “us-versus-them” mentality. While MCO’s father took great pride in Mike’s graduation from college with a bachelor’s degree in industrial engineering, college graduates with white shirts and ties were, from his perspective, the enemy in his work environment, just young punks who would try to tell him how to do his job. The fact was that management and labor at his family’s primary employer were *adversaries*, and consequently dysfunctional. This struck Mike as tragic. And so it was, since today Addressograph-Multigraph doesn’t exist in Euclid Ohio, a victim of managerial and union shortsightedness, turf wars, and a profound inability to unify around a common objective.

These things resonated with MCO. It was clear to him that those now-empty industrial facilities were testimony to a managerial failure to recognize both the company’s real objectives and the importance of nurturing the company’s most important asset ... its people. This went for both the company’s owners *and* the union leaders. It all struck Mike as unnecessary, unintelligent, and pointless.

In the ethnic / immigrant blue-collar world of E. 185th Street, family was always first, and for good reason. Strong families, strong commitments, and compassion for those close to you were the mainstay of economic survival. Mike’s parents lived in a hard-scrapping world where there wasn’t much money and individual responsibility was unavoidable. They gave MCO an unyielding work ethic, the conviction to fight for what he believes in, and the confidence (or cockiness) to know that he belongs on top ... that second place isn’t good enough.ⁱⁱ These were the root of his drive to succeed.

His father, and the long shadow of his older brother Ed, drove Mike to excel in sports as a young man. As a high school junior with a broken wrist, for example, he placed 2nd in Ohio in wrestling, but was so distraught over not placing 1st, and not meeting his own expectations, that he threw his medal across the floor of St. John’s Arena in Columbus.ⁱⁱⁱ Despite that episode’s embarrassment, the following year

he proved himself and became Ohio's State Wrestling Champion. He also earned a full football scholarship at The Ohio State University.

OSU's own inimitable head coach Woody Hayes hand wrote a letter to MCO on February 12, 1963 (two days before Hayes' Valentine's Day birthday) to personally seal Ohio State's invitation to Mike to play football. Of course Hayes' letter was in red ink on gray paper:

Dear Mike:

No cupids, no flowers, no, none of that jazz,
No arrows, candy, no razz-ma-tazz,
but since it's my birthday please
let me relate
That your best choice is
OHIO STATE!
-- Woody Hayes

Earning the football scholarship was an essential achievement, since without it Mike probably couldn't have afforded college at all. Football was a ticket to education, and opportunity way beyond East 185th Street. At Ohio State, Mike was a very good student. He started for the Buckeyes in his sophomore year as a defensive end and was a very good player, until a severe knee injury sidelined him in that season's 3rd game.

Being part of a team coached by Woody Hayes had an impact on MCO. He absorbed Hayes' basic coaching philosophy that "nobody could win football games unless they regarded the game positively and would agree to pay the price that success demands of a team." He watched Hayes treat everyone equally and with respect regardless of who they were or where they were from, and came to understand what it meant to compete hard and why it was important. He also witnessed Hayes' use of his "temper" to stir people to action.

Mike worked hard to rehabilitate that knee partly because he loved playing football, but most importantly to stay on the team, keep his scholarship, and complete his education. While he didn't play much after the injury, he remained on the team and devoted himself to earning his degree in Industrial Engineering. Mike and his older brother Ed were the only two kids in his family to graduate from college.^{iv}

Recognizing the good fortune and hard work it took to graduate from OSU, Mike developed a high regard for formal education. He later went on to earn an MBA in Finance at Ohio State.

The Slovenian, blue collar culture in the neighborhood of his youth and his experiences in competitive athletics, combined with his pursuit of education, were the history and upbringing that shaped Mike's vision and values, and influenced his determination.

Chapter 3 – EPG is Born

"I'm gonna do it." That was MCO's reaction to Mantaline Corporation's insult and poor judgment. He had finally had enough of working for others and suffering under their poor management practices. They had pushed him over opportunity's cliff. When the time came to start the company, it was a no brainer for MCO and Barbara; there were no arguments, the Orazens were both on board. It would take a strong family and all the energy and patience Barbara had to support MCO's entrepreneurial launch. They both knew that patience would often run thin, and that they would have to work through diverse challenges and uncertainty. When Mike launched EPG, he and Barbara had four children, one just two months old, the others in 5th, 7th, and 8th grades. The opportunity was great, but it wasn't going to be easy.

The dream became a reality when that decision was made, and EPG was incorporated in 1983. Mike's 14-page business plan was concise and to the point. Written in September 1983, complete with hand-drawn pencil graphs, it anticipated a 1st quarter 1984 launch. To make that happen, MCO needed to secure financing by the 4th quarter of 1983.

EPG – Extruded Polymers for Glazing – was a simple enough company name, a reflection of MCO's pragmatic approach to most things. Nothing flashy or self-aggrandizing, just call it what it is. No need to name the company after himself.

The company would manufacture and market extruded and molded elastomers, thermoplastic elastomers, and vinyls; it would make custom-designed polymer sealing solutions for a wide range of

applications, primarily for the architectural and commercial construction industry, including extruded profiles and pipe seals, gaskets, and glazing accessories for the architectural aluminum and commercial glazing industry. EPG's primary products would be dry compression glazing system components, which combine sponge and dense elements to efficiently seal window systems from air and water.^v

The glazing gasket market in 1983 was approximately \$33 million. In a business where existing elastomer extruders were pretty much the same, and quantum leaps in the technology were not expected, MCO set out to add value to the product by differentiating EPG's approach to the market. The largest suppliers were serving the architectural commercial glazing market, but were burdened with an arrogance that prevented them from adequately recognizing customers' needs. MCO perceived that the industry (architectural market) had a consistent (albeit untended) need for a supply with *predictable* and *reliable* service, price, and quality.

EPG's operating systems would be fine-tuned to the commercial construction market; MCO would distinguish EPG by tailoring its sales, pricing, production, design, and delivery systems to accommodate the unique requirements of jobsite and contracting environments (i.e., the market).^{vi} In this way, he would enable the company to master service, price, quality, consistency, and customization in *that* particular market. This made more sense to MCO than attempting, as the others typically did, to serve all markets in spite of their diverse needs and peculiarities.

MCO knew that it was inherently difficult for a manufacturer of this type to serve all (or many) markets extremely well at the same. Those who did it this way were focused on maximizing profit margins, rather than on serving customers' needs, and typically ended up being mediocre in all markets. That wasn't good enough for Mike. When product lacked the requisite quality or wasn't delivered on time, it could pose very serious consequences for the customers.

Mike was also determined to provide a highly reliable and consistent product, something the industry struggled with. This required that focus be placed on EPG's rubber compounding supply chain. He would only work with the best compound suppliers and he would hold them to very high standards.

Because of MCO's commitment to customer service, EPG would also provide design assistance, compound recommendations, and rapid prototyping, and the assurance of on-time jobsite delivery.

MCO had set himself on the path of transforming his startup company into the leading manufacturer of glazing gaskets, silicone compatible products, and co-extruded profiles for the most demanding glazing applications. EPG wasn't just in the business of supplying gaskets to its customers and making money. It was in the business of providing solutions to customers and improving lives.

After developing the business plan, which called for initial capital of about \$60,000.00, Mike and Barbara realized they needed both a commercial line of credit and some private investors to acquire the initial equipment and provide sufficient working capital. They visited bank after bank in search of a loan for the launch and pitched the business and the plan face to face. Rejection after rejection was humbling and instructive, but didn't discourage Mike. He persisted. Finally, an older gentleman running a local branch bank was sufficiently impressed with the plan and said "yes, based on what I see here, I believe you'll succeed. I'll take this chance."

Mike and Barbara also mortgaged their family home, took all of their savings, and convinced 6 or 7 people (family and friends) to invest in the venture. The investors included Glenn Engelke, Mike Engelke, Ed Orazen, Dennis Howman, and Jack Subel. They were betting on Mike because of the man they knew; they knew him as he was ... hard working, smart, attentive to detail, a determined winner. Mike had credibility, because they knew his personality well enough to understand that he "gets stuff done." The business plan, while it supported what they already knew of him, wasn't what they were investing in. They were investing because of the relationship with Mike, Sr. and their trust in him.

With a base capitalization of \$65,000 and a "garbage picked" extruder recovered from a dump, the enterprise (and the vision) was underway.

Chapter 4 – What Made Mike Tick?

Failure Wasn't an Option.

From the very beginning, as he wrote the EPG business plan, MCO knew he and his enterprise were going to succeed. In fact, failure wasn't part of his vocabulary (though some other choice words were), or a concept that he understood. It certainly wasn't a concept that he accepted. To MCO, success was always attainable with the right combination of mental focus, effort, determination, dedication, and persistence. He had great confidence in his ability to solve any problem he encountered, and get through it by wisely using his education, his network, and hard work. People who gave up made a choice to fail. MCO never made that choice. To him, anything could be accomplished by combining one's ability with a close focus on the objective, then adding some enthusiasm and persistence. Ability alone wasn't enough.

A Fundamental Belief in Teamwork

MCO understood the value of a strong team. His dream was to demonstrate to his father and others that a business could prosper and profit without exploiting labor or being adversarial. He wanted to prove that profits were the natural result when *all* of a company's employees and owners worked together as a team toward common goals in a fulfilling work environment, where trust and respect was the rule and not the exception.^{vii}

Standing on Principle

Mike stood up for what he believed in—for his principles. To him, it was all about keeping promises and doing what you say you're going to do. He was very big on integrity. He was a man of his word, and his word meant a lot to him. Honesty, respect, and trust were central to his relationships with others, especially customers, suppliers, and employees. MCO was scrupulously honest. He chose to never cheat or steal, always taking the high

MCO has been variously described by those who worked him as:

- honest, straight forward
- tough, stubborn
- compassionate, always fair
- great internal drive
- highly self controlled
- possessing an intense passion to succeed
- very open and forthright, has no hidden agendas
- lots of fun

road, despite its rigors. He knew these are the root of personal liberty and economic freedom.

Instead of reflexively kowtowing to his employers' wishes or accepting their business standards, he spoke his mind. He didn't kiss anyone's ass. When communicating with others, MCO never told them "what they wanted to hear." He responded as he saw things, whether people liked it or not. This was true for everyone, employees or customers or vendors. He'd rather have people mad at him than not be direct and forthright. This had a tendency to create conflict.

Mike once made his son Gabe fire a customer over a \$30 unpaid account balance. While most, including Gabe, would have just written such a trivial matter off, MCO viewed it as a matter of *principle*. For Mike, not holding the customer accountable to its obligations was just taking the easy way out. While the customer paid the account, EPG never did business with them again.

On another occasion MCO terminated the relationship with one of EPG's largest customers over a matter of principle, despite the negative and short-term effect on the entire organization. He knew that standing by his principle was the right thing to do, and hoped that in time the customer would recognize the point and return. Eventually, they did.

He looks at life as having "assets" and "liabilities." Every encounter, every person is an asset or a liability – a positive or a negative. What was right was right, and what was wrong was wrong. This simple and direct frame of reference left little room for mushy thinking. Shots were called as they were seen. Anyone MCO dealt with always knew where they stood, because they knew where Mike stood. Mike always knew where he stood, and could always distinguish between assets and liabilities, because he understood and adhered to his own principles.

High Expectations

Mike passionately believed in personal responsibility, individual initiative, and hard work. He believed that you get out of business what you put into business, that there is no instant gratification, and that results and reward come through perseverance. The notion of personal responsibility was an overarching value perched at the top of EPG's values pyramid. A corollary value was that individuals have a duty to keep very high standards. Regardless of one's performance level, there is always room

for improvement. These affected everything, and MCO lived them, taught them, and expected others to live them.

MCO was somewhat hard on those he worked with; because he expected a lot of others he could be a little intolerant. He could be a tough taskmaster, and crossing him was a risky venture not likely to be forgotten. Like anyone who is passionate about their beliefs, and like anyone who suffers the rigors and pressure of starting and building a business, MCO had a temper and could be unpredictable. Naturally, being widely perceived as negatives (most people fear men who raise their voice), these aspects of his character figured prominently in his reputation and what others expected of him.

These were his way of holding people accountable. He was frequently described as “tough,” and presented himself as a “hard ass” according to some, but it was posturing ... to cover for his *huge* heart.

MCO was extremely competitive; consistently prevailing over and outperforming the competition were primary missions. He competed hard to meet his own expectations. He expected himself, his team, and his company to be *better* than the rest, and he expected that superiority to be widely-known and well understood as a positive standard for the industry.

Despite this competitiveness, and the commitment to advancing EPG’s position, MCO wasn’t motivated by the pursuit of “fame or glory.” He wasn’t motivated by the trappings of wealth or position (he was known, for example, to repair his clothes with duct tape, and not care a bit if others knew it, even when he could afford to do otherwise). He was a man who just wanted the shared prosperity that success would bring for all. He wasn’t interested in taking credit, he just wanted to enjoy witnessing the results.

Preparation

Knowing that chance favors the prepared mind, MCO took preparation very seriously. He was always prepared, and he expected those he worked with to be prepared at all levels all the time. While he viewed EPG as partly the result of lots of “luck,” he believed that luck didn’t just happen, but that it

was “the favorable coincidence of preparation and opportunity.” He recognized that preparation is an ongoing process and includes education, life and work experience, developing successful relationships, an astute awareness of the world around us, a positive self image and, most important, a dream. While the opportunities that arise are usually not under our control, preparation and alertness to the prospect of opportunity are.

Mike was meticulous about the details; he approached most things very carefully and deliberately. He took very small steps, to ensure that he avoided making mistakes and that he wouldn’t put anyone else at risk of failing or disappointment. These aspects of his character served him well in the launch phase, and were part and parcel of EPG’s success.

Caring for People

Mike was compassionate and vulnerable, like everyone. He didn’t show it much, but it was there nonetheless. Those who saw his tough side also *knew* that he was actually a loving, caring, compassionate, and generous soul. MCO went out of his way to take care of people.

MCO was always fair to everyone, customers and employees alike. He made sure that everyone was treated equally, according to the same standards. While he wanted to prosper personally through EPG’s success, he also wanted employees to share in that success. He would never take for himself at the expense of others.

To some, MCO’s values may have seemed a little old fashioned (like those of a recently-landed immigrant), but they were real and they worked. In fact, they’re the values that have historically enabled America and Americans to attain unprecedented prosperity.

ⁱ **Michael C. Orazen, Sr.**, “EPG History and Philosophy,” 1999, EPG Archives.

ⁱⁱ **Michael C. Orazen, II**, “The Places I’ve Been: The History Of EPG and My Family,” October 10, 2000, EPG Archives

ⁱⁱⁱ **Michael C. Orazen, II**, “The Places I’ve Been: The History Of EPG and My Family,” October 10, 2000, EPG Archives

^{iv} **Michael C. Orazen, II**, “The Places I’ve Been: The History Of EPG and My Family,” October 10, 2000, EPG Archives

^v **Michael C. Orazen, Sr.**, “EPG, Inc. – Extruded Polymers for Glazing,” Business Plan, page 4, September 28, 1983, EPG Archives

^{vi} **Michael C. Orazen, Sr.**, “EPG, Inc. – Extruded Polymers for Glazing,” Business Plan, page 6, September 28, 1983, EPG Archives

^{vii} **Michael C. Orazen, Sr.**, “EPG History and Philosophy,” 1999, EPG Archives.