

# Planning for Succession Success at Kercher Industries

## Real Results:

- Prepared for business succession plan
- Increased sales by \$400,000

**Company Profile:** Kercher Industries, Inc. located in Lebanon, PA was started by James H. Kercher in 1946 as Kercher Machine Works, Inc. At its beginning it was a small machine shop serving many local industries. Under the skillful guidance of its founder and his son, Edwin Kercher, plus the hard work of many expert machinists and fabricators, the company quickly grew. Today, the company proudly offers superior machining, fabricating, design and engineering, assembly, laser cutting, and its own line of Lancaster Products material processing equipment to many nationwide and international companies. All of the work is done in a modern 75,000 square foot manufacturing facility.

**Situation:** MANTEC challenged Edwin Kercher to think through the succession plan for Kercher Industries. He quickly realized a plan was needed for him to exit or sell his business. Additionally, the individual being groomed to assume the leadership role had departed the organization. This departure created a sense of urgency to get a plan in place. Kercher Industries was in a precarious state. Another unexpected loss could occur, retirement funds and most importantly protecting the business and caring for the employees were all factors in pursuing a succession plan.

**Desired Results and Deliverables:** Kercher Industries' goal was to have a plan in place for the future that included keeping the business in place and not selling to competitors. MANTEC's Succession Planning Readiness Survey was used to assess the factors that affect a succession plan. This survey improves the understanding of needs, best approach, process, steps and costs to an effective succession plan. It covers areas of industry, business structure, personal leadership goals, family, employees and other stakeholders. After the survey is completed an action plan is determined.

**End Results:** The Succession Planning Readiness Survey was the groundwork to pursue a full succession plan. The succession plan had four main objectives: put the business on a fast track to self sustaining; grow the top and bottom line; increase market value of the business; and ensure stability of business for unexpected loss. In order to accomplish these goals specific actions were taken that changed the organizational structure at Kercher Industries. As various reorganization options were proposed and discussed, it became apparent that reorganization could probably be achieved by better applications of the skills of current employees. The chief estimator became operations-manager, assuming day-to-day operations with increasing responsibilities. The controller added office-manager to his responsibilities. The marketing program was revamped by adding a marketing manager and revamping the external sales team. Marketing materials, including a new website, were refreshed and a new internet marketing firm was hired. Additional financial tracking measures were put in place and other administrative changes took place as well. Kercher Industries has realized many successes since implementing this succession plan. One new part-time position was added and sales have increased by \$400,000. Additional profits, above those associated with volume increase, have been realized through better organization and more employee involvement.

**"My decision to pursue Succession Planning came after two meetings with MANTEC. The first meeting was an open discussion on my business and future plans. The second meeting was very intense. It involved a review of the observations of the MANTEC team and addressed the findings of how we might proceed. During that discussion I formed an opinion that matched that of the MANTEC team. All of the meetings were enlightening, thought provoking, and focused my attention on the importance of succession planning for my company and for myself and family."**  
~Ed Kercher President Kercher Industries, Inc.

To set up your Succession plan contact your Professional Business Advisor directly or MANTEC at 717-843-5054

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