

## April 11 Summary: Northwest Pipe Company



### President and CEO Brian Dunham on Growing to Become an Industry Leader



Brian Dunham spoke to our chapter about the history of Northwest Pipe from a time when it was unclear whether the company would endure to now as an industry leader.

#### Bankruptcy, Capital and Strike

Early in its history, Northwest Pipe went through a bankruptcy. William Tagmyer, now Northwest Pipe's chairman of the board, was brought in to save the company. He consolidated two plants and their two workforces, he closed a plant in California, and he built morale by creating a sense of renewed urgency and optimism. It worked: Northwest Pipe came out of bankruptcy in one year.

The company then sought venture capitalization. Interven and NorWest invested, buying 65 percent of the company for \$1.2 million. With improved valuation and an established board, the company was on solid ground.

Then came a strike over drug testing lasting for several months and suffering some violent encounters. Ultimately, the workers decertified the union and settled with the

company.

With this turmoil behind it, Northwest Pipe began to tone and refine its management. Tagmyer presented an indomitable image, employees decided to stay with the company, and the company was able to attract good managers. Optimism prevailed.

#### Sell it! Don't sell it! Sell it!

The venture capitalists were in no hurry to settle, but were always open for a favorable sale. In 1993, Maverick made a failed offer.

*"Sometimes failure is just success in disguise."*

Two years later, they were back, but this time the deal failed on Superfund concerns.

It was heartening to see the increased valuation of Northwest Pipe over those years. The first offer was \$18 million; the second was for \$39 million.

#### Public Offerings

Northwest Pipe decided it was time to go public. They found the benefits to be greater liquidity, an increased source of capital, allowing for their own acquisitions, and, not so obvious, a psychological boost.

The costs were a recurring \$700,000 yearly expense, disclosing to its competitors, taking orders from a new class of absentee owners, and having to be focused on quarterly business cycles and the requirements of Sarbanes-Oxley.

With the resulting \$300 million from the two public offerings, Northwest Pipe was able to remake itself. Dunham said he does not believe the company would be here today without access to public markets.

The infusion of money allowed Northwest Pipe to diversify by making acquisitions into water transmission and tubular products manufacturing.

#### Organic Growth and the Future

With its major acquisitions behind it, Northwest Pipe is trying to evolve. Dunham admitted that it is difficult to grow without change, especially in low-tech manufacturing industries. You must focus on any possibility that comes your way, encourage risk taking, and reward success when it comes. The main thing is to be determined and not give up.

Northwest Pipe plans to fulfill its current capacity while expanding in water infrastructure. Dunham sees international sales to Mexico and China and more acquisitions in their future.

## May 9 Program: To Enron and Back

### Portland General Electric CEO Peggy Fowler on Enron and PGE's transition back to a private utility



CEO and President Peggy Fowler will speak at the May 9 ACG Portland program about PGE's transition from a private, independent utility to a subsidiary of Enron and then back to a private utility.

Ms. Fowler's presentation should be quite timely because, on April 3, PGE once again returned to a publicly traded, Oregon-based utility when its ownership was transferred from Enron to creditors by issuing new common stock.

The plan for PGE's independence, which was approved by the Oregon Public Utility Commission in December 2005, calls for the issuance of 62.5 million shares of new PGE common stock to Enron's

creditors. PGE's existing common stock, which was entirely held by Enron since PGE was purchased in 1997, has been canceled.

#### About the Speaker

Ms. Fowler has more than 30 years of experience in the utility business and, in that time, has managed almost every major area of the company.

She began her tenure at PGE in 1974 as a chemist in the company's analytical laboratory performing environmental testing. She later managed that department and eventually worked her way up through the ranks to hold senior officer posts in several divisions, including chief operating officer of distribution operations.

## June 13 Program: Burgerville



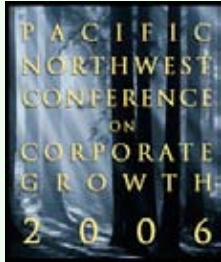
Burgerville President Tom Mears will speak at the June 13 ACG Portland program about the local company's growth to become a unique Northwest institution.

### Company History

In 1922, Jacob Propstra, a Dutch immigrant, founded The Holland Creamery in downtown Vancouver, Washington. The creamery later expanded into the Holland Restaurant. In 1961, Jacob's son George branched out on his own and started Burgerville USA in Vancouver, Washington.

Tom Mears joined his late father-in-law George Propstra's business in 1966 as a manager of a Burgerville store. Stores are not franchised; they are owned by The Holland Inc., which is owned by Tom and his family.

Today, there are 39 Burgerville Restaurants in Oregon and Washington, with headquarters still in Vancouver. With 1600 employees, the company remains privately held, with President Tom Mears and his family still majority stockholders. The parent company also owns the Noodlin's and Beaches restaurant chains.



## Corporate Growth Conference Speakers

The speaker roster for the October 19 conference is filling out nicely. Be sure to leave space on your calendar for this year's event.

Cosponsored by the Portland chapter of the Association for Corporate Growth and *The Portland*

*Business Journal*, this conference has over the years provided inspiring words and strategic advice from some of the most influential corporate luminaries. Speakers being lined up this year include:

- David Dotlich, president of Mercer Delta Executive Learning Center and partner at Mercer Delta Consulting
- Kevin Freilberg, founder and CEO of Freiberger.com, a professional speaking and consulting firm and popular business author of *Nuts!* and the recently published *Guts!*, about daring leaders who treat employees as more than human resources
- Guy Kawasaki, managing director of Garage Technology Ventures, an early stage venture capital firm, and columnist for *Forbes.com*
- Nathan Rosenberg, cofounder of Insignium Performance, an organizational consulting company

The conference is attended by many of the leading Northwest CEOs, CFOs, presidents and company owners, plus legal, banking, financial lending, investment banking, accounting and insurance professionals.

## Welcome, New Chapter Members!

Jon Mitchell, FACHE, President & CEO—Oregon Medical Professional Review Organization  
Jeanette Slepian, President—BetterManagement

## Past Speakers

Date	Speaker
Mar 06	Jake Nichol, Leatherman Tool Group
Feb 06	Daring to Dream: The Oregon Wine Story
Jan 06	Michaels of Oregon
Nov 05	Mark Ganz, The Regence Group
Oct 05	Oregon Business Schools Panel
Sep 05	Michael Cook, MTI, Inc., on Buy Outs

## Meetings

Held second Tuesday of the month at the Downtown Embassy Suites Hotel, 319 SW Pine Street, Portland. Registration is at 5:30 p.m., cocktails and hors d'oeuvres from 5:30 to 6:20, presentation runs from 6:20 to 7:30.

For membership information or other questions, contact:

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For comments or submissions to *ACG Briefs*, contact:

Mike Decker, Editor: 503-706-7248; [gmdecker@teleport.com](mailto:gmdecker@teleport.com)

## Chapter Officers

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## Annual Golf Tournament

Put Wednesday, August 9 in your PDA so you don't miss the annual ACG Portland Golf Tournament.

Meeting at The Reserve Vineyard and Golf Resort (North Course), with Tee-off at 1:30 and a Shotgun (scramble) format, we will limit the tournament to 128 players to enhance the speed of play.

The cost this year will be \$160, and will include a \$50 gift certificate to the Nike Store on the grounds of The Reserve.

If interested in sponsoring the event, or for more information in general, contact Pat Fuller at (503) 768-4299 or [acgportland@acg.org](mailto:acgportland@acg.org).



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