

In transition

Concerned by the shift in industry dynamics, Steve Miller hopes the next generation has the mettle to withstand the impact

BY CHERYL HIGLEY | EDITORIAL DIRECTOR



Steve Miller is grooming his sons, Steven and Kevin, and his daughter Sarah to take over the business he has built over the past 32 years.



PHOTOS BY: STEVE LEONARD PHOTOGRAPHY

Steve Miller, co-owner of Steve Miller, Inc. in Naperville, IL, has seen it all in his 32 years in the snow and ice management business; but the transformation he has seen taking place over the last several years has left him dismayed.

Today's industry is vastly different from the one he entered in 1979, when he worked as a maintenance engineer for the Diocese of Joliet. Armed with a tractor and a plow, he had to keep the site cleared for the church and the school's students. Exposed to the elements, Miller watched every day as a contractor pushed snow on a nearby site in the heated comfort of a Jeep. A 3-ft. snowstorm proved too much for the contractor, but Miller was up to the challenge. He borrowed a wheel loader from a family friend, and he never looked back.

Having built one of the largest snow and ice management companies in his area and serviced some of the largest Fortune 500 companies in the world, Miller has spent the past 10 years gradually stepping away from the business, as three of his children—Steven, Sarah and Kevin—take more operational control. It was not a decision he and his wife, Carol, made lightly.

"I had hoped that my love for snow and the true appreciation I have for the business would be acquired by my children. I felt that if there was true interest within the family to go the distance that I would make the commitment to them," Miller says. "I was approached by bigger companies to see if I wanted to sell. It was tempting, but I felt when I made the commitment to my kids that I wouldn't entertain offers."

Grooming the next generation

With the decision made, the kids all started at the bottom and worked their way up, eventually finding a niche in the business that played to their particular skill set. Steven excels in the operational and mechanical processes. Kevin is the numbers guy, analyzing bids and focusing on financials. Sarah helps manage the subcontractors and is learning billing and office details from Carol. While each has a specific focus, Miller said it was important that they learn every aspect of the business.

Miller operates with a "get it done or get out of my way" mindset, and he wasn't sure today's generation had the fortitude and desire to go the distance. He needn't have worried.

"We work as a team in running the business. Because of our training, we have the knowledge and abilities to accomplish all the necessary roles to manage the business. As we continue to define our strengths, we will be able to move into more specific roles while still filling each others' roles when needed," Steven says. "As for stepping into our father's role, we believe we will be more effective taking on his role as a team."

Watching the kids grow into and take ownership of their roles has been very gratifying for Miller.

"The learning curve took longer than I thought, and they stumbled more than I thought, but I knew we could get where we needed to go," Miller explains. "I couldn't be more proud of how they're handling the business. It's extremely rewarding to have made the right decision and to watch them take the business into the next generation."

It has helped, Miller says, to have the support of the company's veteran management team, which helped guide them through the growing pains. With 32 years under his belt, Miller has spent years building alliances with suppliers and colleagues. Those relationships have been instrumental in allowing him the flexibility to step back while helping the new team operate more effectively.

"All of the relationships I've built are being nurtured during the transition. It's important to me to know that the people I have worked with will be able to work with my children," Miller says. "These relationships are invaluable, because when the snow business becomes difficult, and you're fighting in the worst storms, you're counting on the people you've surrounded yourself with to help get you through it."

Then and now

But as Miller looks to the future with optimism, he laments the fact that the kids are inheriting

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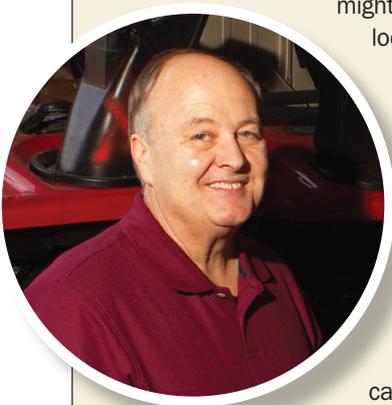


Alliances with suppliers ensures Steve Miller, Inc. always has the materials and equipment needed to service its clients.

Steve Miller's teachable moment

ONE SIZE DOESN'T FIT ALL. While bidding on one of his first large accounts, the buyer told Steve Miller that based on the price something might be missing, that the bid looked "light." Miller had tried to make the job as cost effective as possible, but it was the advice from the buyer that taught him that every job is different and requires a unique bidding approach.

"I used to bid everything the same, but you can't do that. You don't bid a church like you're going to bid a Fortune 500 company," he says. "You really have to consider size and scope of the property, and learn that what they're expecting and what they're asking for may be two different things. You have to look past the contract and make sure you're bidding to their expectations."



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ing the troubles of an industry left "damaged" by a battered economy, slashed prices, a lack of customer loyalty, increased liability costs and uneducated or absentee buyers dictating unrealistic terms. Miller isn't shy about tackling the changes that are shaping the industry:

Lack of passion. "What separates a good snow company from a great one is the owner's passion for snow removal. Buyers can tell the difference between those who are driven by the entrepreneurial spirit and those who are only in it for the money. We will occasionally lose a bid because we always have the best interests of the client in mind, which means we deliver service that doesn't come with a discount."

Bad bids. Equipment and technologies have made snow operations more efficient, but at the end of the day, "it comes down to a steel blade on the asphalt," Miller says. Bids used to be fairly simple but have become more complex, and are coming not from the person making the decision but from the "information collector who is taking that data back to the accountants," he says.

Part of the reason stems from the real estate fallout. Management companies have to answer to their investors, and when occupancies are down and the revenue stream isn't there, neither is the return on investment. They are forced to look for cuts wherever they can find them.

"Bid specs either aren't correct, or the terms are unrealistic because the buyers are so concerned about price that they're lowering the service levels at the cost of safety. So much damage has been done to the pricing structures, but you have to



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— STEVE MILLER

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Resources stretched too thin. Whereas Miller has established efficiencies that allow the company to “cycle” through the properties and keep up with all of their clients during a storm, he is seeing his competitors grow too fast and too far from their home base to keep up. Having the manpower and properly maintained equipment to cover jobs is key.

“Management companies tend to think of the snow business as a landscape business—that if a site is 30 miles away the contractor can efficiently handle it. These new buyers want the convenience of dealing with one contractor, but the reality is the job base is too spread out, and it’s difficult for snow contractors,” he says. “When you have 20 inches of snow falling in a 24-hour period, you cannot maintain that efficiency. That’s why so many jobs change hands, because the contractors have taken on more work than they can handle. You can go years and do a good job, but then you get hit with a late, heavy storm, and you’re not equipped for it.”

While Miller may be disappointed by the state of the industry in 2011, his passion for his business and his love of the industry was never far from the conversation—at heart, he’s a snow junkie.

“As long as I’m physically able, I’ll be out plowing because I love it. When you go out at 1 a.m. and everything is covered in snow, the whole world looks different. I love the equipment and working with the snow,” Miller says. “For all the trials and tribulations, I wouldn’t have changed anything for the world.” **SB**

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Steve Miller’s differentiators

Over the past 32 years, Steve Miller, Inc. has grown to service some of the largest companies in America. What sets the company apart in the competitive suburban Chicago market?

1 Pride in ownership. Miller’s company is family owned and operated, and that, co-owner Steve Miller says, makes a difference. “I don’t believe that a nonfamily-owned business—without people who really have skin in the game—will ever be able to commit themselves and work quite as hard as you do when it’s a family business. When an owner has pride in the business, that will always give you an edge.”

2 Maintaining profitability. Throughout changing, and sometimes difficult, economic and weather cycles, protecting profit is a challenge. Being able to forecast for growth and to flourish against those cycles can be difficult, Miller says. “In order to protect our margins, we run a debt-free business. My wife’s firm and conservative financial control of the company allows us to grow and not worry about debt.”

3 Labor harmony. Developing a camaraderie with team members and building a respectful workplace is essential. The human element has always come first, Miller says. “My wife has always understood better than me that benefits and bonuses—even when margins were tight—were important. A stable workforce is key to consistent snow removal. The first link in the chain is the people who work for you, because if you don’t have the support of your key personnel—who keep the business’ best interests up front—you cannot be successful in the long run.”

4 Communication. “We have forged connections to our clients, who know what is going on at all times. Our support staff and operations foremen all understand the importance of communication,” he says. “Very seldom will you lose the job if you communicate and be honest.”

5 Office aficionados. Steve Miller, Inc. operations run from three offices. Miller says while the sales and equipment teams usually get the glory, his company would be lost without the office staff, which strives to keep billing accurate and to communicate with the clients, especially during snowstorms. “I probably have never said it enough how much I appreciate what our office staffs accomplish. We would never be where we are without my wife and her support staff,” Miller says.

Originally published by Moose River Media in the May/June 2011 issue of Snow Business magazine.