

The New MBA

It all began to fall apart, thought Rudy Schmitz, right after he returned to the family firm as assistant controller with his new, prestigious MBA. Ever since he was 15, when his father, Will, had started Schmitz Sand and Gravel, Rudy had been fascinated by the company. He worked there part-time through high school, then full-time after getting his undergraduate degree in math.

In addition to Rudy and Will, Rudy's younger brother, Chuck, works in the company in a blue-collar job. Chuck, who barely finished high school, has been with Schmitz for 3 years. He is foreman of the gravel pit and the workers see him as "one of the guys." Also on board is Duke Ferrara, an aggressive, hearty type who, in five years with the firm, has risen to general manager. Duke brags openly to the crew about being "superior" to Will. He has pushed unceasingly for stock options, and Rudy is surprised that his father has not asserted himself with Duke.

Rudy finds his excellent relationship with his father now threatened because Will has reneged on a promise to pay Rudy commensurate with his education. In fact, Chuck makes more than Rudy and has resisted Rudy's overtaking him or having clear-cut authority over him. Rudy, whose real love is accounting, wonders how one short management course during his graduate studies could possibly have prepared him for this.

As if that were not enough, Rudy has also noticed that Duke has been on a spending spree. In addition to making some expensive purchases, Duke has been paying Schmitz employees much more than the employees of its competitors. Rudy had just begun to fear the company was headed for real trouble when, by coincidence or otherwise, Duke proposed a buyout offer that appears quite low to Rudy.

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