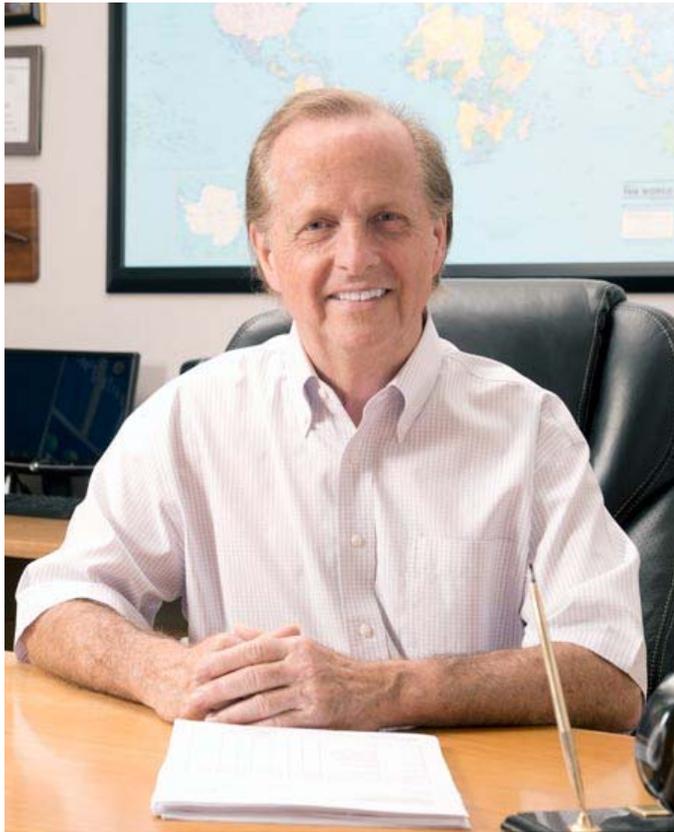


Keep it simple



*Biography of Rudy Kolaci by Chris Boller
September 1, 2014*

The philosophy is:

Once or twice every business day it's a good idea to take a walk. Get up, get away from the four walls of your office or workstation. This gives you a chance to look, listen and learn. This walk is simple exercise for the mind and body. The best way to 'keep in touch' figuratively is to 'keep in touch' literally. There is nothing that replaces personal interaction. It's the essence of business. The ebb and flow.

So, once or twice each day, he gets up from his desk and covers the literal four corners of the company he created. This man is gentle, soft-spoken and unimposing. His demeanor is one of approachability. As he moves about his ritualistic stroll, his coworkers pose questions. First, it's a question about batching systems answered with matter-of-fact certainty. Then a question about his lady friend, who recently sprained her ankle, is answered with the same gentle care. Cordial, casual, and easy as a warm summer breeze, truly.

Having covered his route, he returns to his office. The carefully, but comfortably dressed man, sits in a pristine, carefully organized office. The walls are lightly speckled with carefully framed photos of

family, friends, pets, and even business acquaintances because, after all, they are friends, too. His faithful dog, Jan, who followed him patiently on his walk, sits nearby. It's 2:00 and he's been here since 8:30.

A creature of habit, he arrives every day at the same time, 8:30 am. Every morning mimics the previous: a simple piece of fruit in the morning, a cup of tea, and a Sudoku puzzle to exercise the brain. Monday, Wednesday, and Friday are early days. He leaves work early those days so that he can jog the streets of his home town in peace. By the time the general masses come home from work and runs, walks, bikes, or rollerblades, he is back from his run. He's exactly 70 years old this year.

His office, schedule, and surroundings are clearly those of an Engineer, with a place for everything and everything in its place. His work life and personal schedule are precise, careful, and thoughtful. He doesn't 'do random.' Even weekends, spent away from work, are deliberate and planned in advanced to maximize the amount of fun and/or relaxation.

It's a life he enjoys sharing with others. Generally, not an avid TV watcher, he prefers to be in the moment. So, when people are around, he genuinely enjoys their conversation. He enjoys his close-knit group of friends so much that, for over 20 years, he's hosted twice yearly house parties. The parties are an event planned to bring together young and old, business and personal friends. There's food, drink, and entertainment that are carefully planned for maximum enjoyment in a setting that can only be described as personal. His description of these parties is 'to celebrate my friends.'

The quiet, genteel, intimately personal, cordial, consistent man is Rudy Kolaci, the president and owner of Totalcomp, Inc. in Fair Lawn, New Jersey.

He seems the most unlikely one, but he single-handedly started an industry.

Rudy literally created an industry in 1980 when he started Totalcomp (an acronym for total components). A business he opened with the idea of bringing expertise and immediately available product to scale dealers, repairmen, and end-users.

He opened the business with \$20,000 of load cells, a set of phones, and a piece of his basement. The Totalcomp, Inc. business model was a simple one: the load cells would be available as needed. In stock and ready to ship.

Before Totalcomp, load cells were not a stock item. Each one was made to order and would take 12 to 14 weeks until delivery. To avoid down time companies would have to buy extra load cells and keep them in stock. Some of those items were very costly and that was money tied up and sitting on the shelves.

How new industries come to be.

There's always a rebel. They are usually not the James Dean renegade or the Howard Hughes eccentric. A rebel is simply someone who's not satisfied with the way things are and opts to change things up.

Frederick Smith did not invent express parcel delivery. He took a look at how it could be streamlined, wrote a college paper about his theory (small priority packages make their journey at night, when airports were less congested) and eventually founded Federal Express. FedEx promised 'when it absolutely, positively, had to be there overnight'.

Henry Ford didn't invent the automobile. He also didn't invent the assembly line. But when Ford was done improving and combining the two, he reinvented the way cars were made and sold.

Steve Jobs didn't invent the modern PC, nor did he invent the computer mouse or the graphical user interface. He just figured out how to bring those ideas to the mainstream. When Jobs was done, he had revolutionized an industry.

Rudy Kolaci didn't invent the scale industry. Nor did he invent a way to manufacture, package, ship, or sell. He, very simply, learned, listened and thought that there should be a better way. When he had thought about it in a way only an engineer can he came up with a better way.

Make it easier, keep it simple and you automatically make it better.

In the year 2014, the phrase "Order today, and receive your order within 3-4 weeks," is nearly inconceivable. We barely wait for anything. We get our food right now. We get our oil changed while we wait. We can order nearly anything from Amazon and have it at our doorstep the very next day. Heck, we could go out now and drive home in a brand new car. Today we have digital cameras anywhere and everywhere photos and movies now. But when Kodak introduced the first consumer camera in 1900, the Brownie (pre-loaded with film), you would need to mail back the whole camera after taking your photos. Eventually, you would get back your photos and your Brownie, filled and ready to go again. It took about a month. The brownie concept lasted over 50 years.

Of course, we know that digital photography ended the waiting permanently. See your photos immediately. How can that be bad, right?

The Kolaci Story.

Not all rebels have motorcycles, smoke cigarettes, and wear leather bomber jackets. That would be pretty cool, but it doesn't always work that way. Sometimes, a rebel is straightforward, honest, sincere, unassuming person with a different idea.

Rudy Kolaci was born in Moonachie, New Jersey, as the youngest of two children to Czechoslovakian parents. His father (the youngest of 12 children) was an innovator in his own right. He and his brother owned and operated a tiny factory in his brother's backyard in Little Ferry. They manufactured and distributed small mother-of-pearl buttons to a bustling New York City garment industry in the early part of the 20th century.

At that time, Moonachie had a tightly knit Czech community. And as the youngest Kolaci entered the Moonachie Public School system he came to startling realization: not everyone spoke Czech. Who would have known? He was part of a Czech community. At home and in the neighborhood he spoke Czech. His immediate family spoke Czech, and all of his relatives spoke Czech.

With the help of his older sister, Rosemary, who had picked up English on the fly, Rudy learned conversational English within a month. It's great how kids can learn.

That's how it worked back then. If you didn't speak English, you were immersed and you learned.

An average student, he made his way through the Moonachie School system. As the classrooms moved and grew, the students moved and grew. Again, that was how schooling was. A young kid who enjoyed physics, geometry, high school football games, and socializing with friends.

Rudy got his first job when he was 11. He was hired by his dad to help out in the button factory for two hours a day. After school, Rudy would hop on his bike and make his way over to the factory, located in the backyard of his uncle, for a 2-hour shift. As you can imagine, he hated every minute he was there. To an 11-year-old Rudy, it was very very boring. The young rebel was not a happy button maker. So, after his hellish 2-hour stint at the Kolaci Button Factory he would ride his trusty bike over to hang out with his friends at the local beverage distributor, Alrays.

Because that's where his friends worked, Rudy would hang out there. He wasn't getting paid to be there, but it was fun to help out and organize the returns. Of course, being a burgeoning engineer, Rudy was compelled to organize the bottles in some engineer/OCD type way. Luckily, back in those days, they didn't know what a OCD was, they just thought you were 'neat.'

The good people at Alrays knew cheap labor when they saw it, took note and offered Rudy a job stocking shelves and delivering to customers on Saturdays. He ran that offer past his dad in the form of 'I'm not working at this button factory anymore,' and his dad was accepting of that.

During his time at Alrays, Rudy used his young analytical mind to build his first invention. Kids in the warehouse had to run out to the main store to get returns. So, the kids would schlug up to the store and, if there were no returns, they would schlug on back, empty handed. A big waste of time and energy, he thought. So he designed and constructed a button in the front store, connected to wires that ran overhead and connected to a buzzer in the back, added a battery, and he was in business.

Bottles come in, buzzer gets buzzed, warehouse hops to it cool. No one commissioned it, it just made sense and Rudy figured out how to make it happen.

After he graduated high school, and at the insistence of his mom, he enrolled at Stevens Institute of Technology to become an engineer. Mom wanted her son to be an Engineer. Although Rudy had little or no interest in becoming an Engineer, when your Czech mom says 'be an Engineer', you go to engineering school lest you suffer the wrath of an angry Czech mom!

I can't be certain, but I doubt mom was jubilated to know that her son's trajectory as an engineering student at Stevens was about to be sidelined. As the romantic rebel, Rudy Kolaci, a fledgling sophomore, decided to tie the knot with his sweet-heart. On the upside, as he wasn't overly interested in Engineering (yet), he was ready to take on the role of responsible husband and left college to earn money.

The lofty goal of a newly married Moonachie high school graduate - \$100 per week

When you're young, in love, newly married, and trying to earn a buck, you don't know WHAT you want to do, but you sure know how much money you need to do it. In This case, the magic number was \$100 a week. That's the number Rudy decided was enough to make it on your own as a married man.

As a young man with a high school education and a new bride, Rudy applied to

NJ Bell and PSEG for employment. The train of thought was to go with the larger companies for stability. No jobs were open so, unable to go with the two top picks, he decided to try his luck with an employment agency located just two towns away.

The Abbey Employment Agency in Hackensack sent him on several interviews and ended up getting the offer of a job at a little place in New Jersey called Fairbanks Scale. Even though their offer fell short of his lofty \$100 per week goal (they offered \$79), and in 1964 he accepted the job of Applications Engineer based on the promise of quick promotion. And as everyone who has never had a job before knows: quick promotion means growing salaries.

Fairbanks Scale sold scale systems worldwide. In 1964, doing business worldwide was quite the process. The world was a bigger place. Orders came in through via phone or TELEX, jobs were priced, quoted, and eventually purchase orders and checks came back through the mail. At that point all the materials were ordered, assembled, and then ultimately shipped.

Although the job title was Applications Engineer, the job ended up being a clerk servicing customers in the Pacific Rim. This means that each and every job could likely go on for months. The job was tedium personified for the average college-aged kid. So, after the obvious romance of being a clerk faded, a disillusioned Rudy jumped the Fairbanks ship and did a short stint elsewhere, ultimately returning to Fairbanks Scale but moving his way up to become the inside contact for the field sales force.

Listening and learning from the inside an industry.

The field sales force was the lifeblood of Fairbanks Scale, and surely the best way to learn the scale business from both sides. Where the demands of the field meet the capabilities of the company. Naturally, within the scope of their jobs, field salesmen make a lot of promises. Those promises are converted into requests. The requests from a wide range of industries would come into Rudy and he would be tasked with constructing the quote and system.

Wisely enough, the young, astute Mr. Kolaci opted to attend night school at what is now the New Jersey Institute of Technology where he earned his degree in Mechanical Engineering.

As always, the industrial manufacturing industry was pushing to expand the capabilities of mass-production and automation. Fairbanks helped by designing and creating systems to accommodate. The range of industries and applications was huge; batching, bulk weighing, hoppers, mixers, bagging, and delivery. Eventually shifting from manual to automated systems. Rudy would design and build the systems to move the items. He would design systems and present those proposals to the customer.

This turned out to be an amazing way to grasp the diversity of capabilities. The lessons learned from that job continue to be applicable to this very day.

Along the way, Rudy became a load cell sales specialist. Personal outside contact is a great way to understand the flow of business. It was enjoyable to make cold calls, service existing accounts, and even create new business.

Learning from the best makes you the best.

The best part about being young and enthusiastic in any workplace is the people you meet and the lessons you learn from them. In Fairbanks Scale, that man was Rudy's direct supervisor Alex Eismann, a boss

in systems at Fairbanks. An eccentric engineer who drove his bike to work, Alex would spend time with Rudy analyzing, editing, and refining proposals into effective sales presentations. Alex was a great communicator. A simple, laid-back guy who managed fluently and humbly inspired people to become better.

As an outside salesman, he was under the tutelage of Carmen Trongone. A seasoned, personable, successful salesman for Fairbanks Scale, Carmen knew what it took to do business on the road. His golden nugget of advice: Ramada Inn.

Carmen knew that in a world where your office was your car, a Ramada Inn had three vital things: Long hours, clean bathrooms, working payphones, and you didn't even have to be a customer. You could sit in the lobby and conduct business or take a break. Quintessential road warrior survival techniques.

If you like what you do, and you like helping people, outside sales is a great job. The truly great thing is that you become the source for knowledge. Constantly learning, sharing, and helping customers is what makes you a better salesman and gets you more business.

At that time there was a big diversity in load cells and how they were excited and powered and capacities. In order to be a successful salesman you needed to know your product. Identify the needs of the customer and fill those needs the first time. Having spent a huge amount of time learning and understanding the load cell industry put Rudy near the top of the knowledge chain.

Once, a new customer by the name of Steve Dishon of American Scale in Baltimore, Maryland called and specifically asked to speak with Rudy Kolaci.

Steve, matter-of-factly said "Mike Lanza from Security Scale told me that if I have a question or problem with a load cell, call Rudy. Rudy is the go-to guy for load cells."

"People would pay extra for that."

One time, during an average day of phone calls and sales calls, Rudy happened to be in the company of Ray Vito, a purchasing manager at Howe Richardson. They had been talking about load cells (of course) and the industry-wide gripe that it took so long for delivery. After all, these were vital components of the business and one broken load cell could bring your operation to a grinding halt. It was Ray who said "it takes too long to get the load cells. People would pay extra for load cells that were IN STOCK." Hmmm.

The quiet launch of a business in 1980.

Totalcomp, Inc. started inside the basement of a 3-bedroom home in Fair Lawn, NJ in 1980. It was founded by Rudy Kolaci and began with the humblest of intentions. Serve the scale industry by stocking load cells for immediate shipment.

Wanting to be a self-salesman, Rudy simply wanted to do what he enjoyed doing: sell cells. The tedious trip reports, post sales, were seen as a huge waste of time and energy. On his own, there would be no need for reports, plans, itinerary and other such nonsense. Ever the pragmatist, he replaced those reports with phoning. In Totalcomp, he made phone calls on Monday and Friday and got out in the field on Tuesday, Wednesday and Thursday. That's the natural flow of business.

Monday and Friday are off-days; vacations, long weekends, lack of focus on Fridays, and playing catch-up on Mondays made for a logical plan.

The business began with an austere \$20,000 inventory of the most popular load cells and a shipping department.

In 1980 Totalcomp began with a first month gross of \$3,500.00. Three months later, the first Totalcomp product catalog mailed out. Within four months' business increased 230% and within twelve months of opening, sales had increased to \$287,000.00 gross.

Those are remarkable numbers for a business that had no predecessor. Totalcomp started a new way to do business for the scale dealers. An idea for giving an industry a helping hand became the new standard. Owed all to a humble man, a reluctant leader, the entrepreneur engineer, Rudy Kolaci.

An insider's look into the engineer's mind.

Author's confession: When I had first been introduced to Rudy at Totalcomp, it was through my sainted mother. She had been friends with the Kolaci Family for quite a few years and ran into them at the local Grand Union which gives you an idea of how long ago this took place (1986). Totalcomp had just moved into a new location within Fair Lawn and was interested in some advertising. I was a fledgling upstart at the time and I was fortunate enough that Totalcomp took a chance on me.

Rudy is an interesting gentleman. His demeanor is very genteel and friendly. He smiles and has a great sense of humor. An unassuming man who knows his building, people, products, and customers unusually well I can say, better than most Presidents. The depth and intimate knowledge of his product line is evident. It's clear that he has spent a disturbing amount of time learning every nook and cranny of his business. It's the way an engineer does everything: assessed, calculated, premeditated, and very, very formulaic. Almost to the point of being quirky, yet the quirks never detract from the mission, they only channel the mission. Fascinating.

As we toured the building (a building I had been inside before, as the previous owners serviced the advertising industry) I noticed that he had carpet inside the stock room. "That's odd," I thought. So I asked why he didn't remove the carpet when he moved in. "I added the carpet there," he said, "In case someone drops a load cell, it won't get damaged." Wow, 'okay,' I thought, 'that's pretty smart.'

Continuing the tour past a pristine multiline phone and computer cabling system, "That's pretty," I said, "they did a good clean job on that one." Rudy proudly, but softly said "Oh, I did that when we moved in." Indeed, I have to mention there was not a single wire out of place. Precise and orderly the mark of an Engineer.

After the tour of the building we sat down for a talk of his business model. I found out that the office phone rings through to his home (which used to be the Totalcomp base of operations, also in Fair Lawn). If a customer calls at night, on the weekend, or during a holiday, Rudy would answer the phone and help the client in any way he could. Business is very personal to him, customers and vendors are known by name, recognized by voice, and recalled by products. "I have a three-step business model, and it's guided me pretty well," I listened, waiting for the corporate introspective mission statement "Number one: Answer the phones." I smiled and he continued "Usually on the first ring, but there always needs to be a person answering the phones. If you don't answer the phones, the customer could just call someone who does!" He continues "Number two: ship the products. We need to be able to give the customer what

they need when they call. It's that simple. We understand what they need, and we have it in stock in 95% of the time, so we need to ship it to them. Then, number three, we need to order more products."

The engineer has stripped away all the corporate posturing and banal rhetoric. He boiled down his business plan into this simple three-step customer-centric construct. Bam!

This business plan served the engineer well. However, stymied and a bit perplexed by the complexities of business he joined a group that would revolutionize the way his company moved and grew.

The group was named Vistage, and Rudy joined The Executive Committee. T.E.C. was a personal development group of and for professionals. The goal was to improve effectiveness, both personally and professionally. The Vistage meetings would lead Totalcomp to become a more focused, organized, and well-positioned company.

For someone who was not formally educated as a businessman, this group prompted great steps forward in the design and movement of Totalcomp. Rudy strongly believes that this association helped him and his company to become revitalized. They learned to grow a business organically by understanding the essential roles each employee fills within the business.

He learned to ask questions about procedures. Question his people. Figure out HOW his business ran.

The long range personal plan for Rudy.

Totalcomp, as a business, is on solid ground. While Rudy acknowledges the internet as a viable and growing channel, he still cannot imagine a business world without phones and salesmen. Rudy is a classic sales romantic. Sales people enjoy the interaction, handshakes, and the personal relationships and trust that bond salesman and client.

Rudy has simple goals nowadays. Unlike his father, who retired at age 59, Rudy will continue to work and wants to live until the age of 125.

Every day he challenges his mind and three times a week he runs. The point being to live a longer and healthier life. He spends as much time as possible with the people he loves. He enjoys traveling for business and pleasure. Having had his second child, Nicholas, at age 50, he learned that he loves children.

As a parent, his philosophy is simple and elegant. It could easily be applied to his business: Protect and guide.