

Standing out from the crowd

Grounded in a unique corporate culture, Houghton Chemical holds its own among multinational competition. Jennifer Monroe learns more from president Bruce Houghton.



Houghton Chemical is a rarity in the commodity chemical distribution industry. It is a small, private, family-owned and operated business competing against multinational corporations. It owns its own truck fleet. It operates without a five-year plan and instills in its employees the importance of being professional and having fun at work. Much of this might be expected from a corporation with tanks painted in an array of bright pastels.

"Our tank farm is located right off the exit to the Mass Pike [in Boston]," explained president Bruce Houghton. "Tens of thousands of people drive by us every day. It's important for us to look our best."

Houghton's grandfather, Philip, began the family's involvement in the chemical distribution business in Worcester, MA in 1927. He served as an agent for an ethyl alcohol producer selling to industries across New England. This work allowed him to become familiar with the use of ethyl alcohol in the production of antifreeze, which he then applied to his business. By the late 1950s, Houghton Chemical Company, under the direction of Philip's son Proctor, expanded its

service area beyond New England and into the entire Northeast establishing their corporately owned truck fleet and first distribution facility in Boston, MA.

Today, Houghton Chemical Company makes and distributes hundreds of products to pharmaceutical, high-tech, film companies, and others and its own line of automotive fluids and heat transfer fluids. It employs more than 80 people at two corporate facilities, one in Allston, MA, and Carlstadt, NJ. It also operates nearly 20 stocking sites around the US.

Production of Houghton antifreeze is handled by outside vendors who create products using Houghton technology, specifications, and quality standards. Products include heavy-duty diesel, universal, extended life, and non-toxic antifreeze. "Antifreeze is now a high-tech product," Houghton said. "It has become more sophisticated as engines have become more complex."

Houghton's heat transfer fluid business grew out of its success in the antifreeze market. This division makes and sells products under the Wintrex and Safe-T-Therm brands. These products are used to keep the grass snow-free at Gillette

Stadium, home of the New England Patriots, as well as in the formation of ice at skating rinks. Houghton also delivers airplane wing de-icer to Boston's Logan International and other regional airports in New England.

From the heat transfer fluids came Houghton's decision to distribute water treatment products including biocides, algacides, and scale and corrosion inhibitors.

Vital to Houghton's success is its truck fleet. "Our drivers are Houghton employees and an integral part of the sales team," Houghton said. "We do very little advertising, and our trucks are part of our image. They are our traveling billboards. We want people to say, 'Wow, that's a fine piece of equipment.'"

Houghton trucks are sited in Scranton, PA; Carlstadt, NJ; and Worcester and Boston, MA. Its Boston facility serves as a stocking location and is used to provide quicker delivery to Houghton's customers in New England. Houghton noted the company's drivers are responsible for maintenance of the bright blue tractors and take pride in their equipment. "Customers know that quality and cleanliness ►

are better with Houghton equipment," he said.

Facing large international competitors takes more than an attractive and effective fleet of trucks. Much of Houghton Chemical's success is due to key acquisitions made to support its industrial chemical business. Because it is small, Houghton can respond quickly to opportunities and has acquired three companies in the past four years. "We're like a PT boat," Houghton said. "We are fast and opportunistic. Our size allows us to be flexible and to take advantage of opportunities. We purposely do not have a five-year plan; we move so fast."

Houghton admits the chemical distribution business is a difficult business to run because it deals with hazardous materials. "We have not had a significant hazardous

incident in our 75-year history. The error rate is not measured the same as it is in other industries," he explained. "It is an unforgiving business. To compete with the large multinationals, we have to be much better than they are, and I think we are."

Areas in which Houghton believes the company excels are the quality and interest of its employees. "Our people are much more motivated, which gives us a far superior service level than our multinational competitors."

This is no accident, as Houghton has created a unique corporate culture. "Corporate culture has nothing to do with the business you are in," Houghton explained. "It has everything to do with who you want to be. It's hundreds of little

things you do all the time. It is a mind set rather than a design. It's based on giving our employees ownership and a vision. We could set up our culture in any business."

Houghton operates a flat organizational structure, which allows for the empowerment of each employee. In addition to fostering a spirit of professionalism, Houghton encourages casual relationships within the office. "We want people to believe you don't go to work just to work, you go to work to have fun. We play all the time."

No Houghton employee is bound by a job description; a job can and does change

environmental excellence, the professional development of their employees, and strong community service."

"I think it surprised [the Chamber] that we won that award," Houghton said. "This is Boston, known for high-tech, finance, and biotech companies, and here we are, a chemical distribution company. They came in and met the staff. That is what won that award."

As part of its effort to stand out, Houghton Chemical is very involved within its community. The company actively seeks out organizations that have difficulty finding corporate funding,

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—Bruce Houghton, president

over time. "It's a fluctuating thing, and our employees flow with it," Houghton said. "We encourage people to see they don't work for people but with people."

Houghton Chemical employees directly benefit from their enthusiasm for the company. Its bonus program operates on a quarterly basis, and in 2002 each employee earned a month of free pay, not including the Christmas or fourth quarter bonus.

Houghton said he believes it was the people who work at the company that earned Houghton Chemical the Greater Boston Chamber of Commerce's 2001 Small Business of the Year Award. According to the Chamber, Houghton "stands out because of their commitment to

supports them financially, and often becomes personally involved with them. Employees are encouraged to do the same. In fact, Houghton said one of the company's goals for the next year is to increase its corporate giving. "We want to substantially increase our support of community non-profits," Houghton said. "We would like to give away more money."

Even without a five-year plan, Houghton said the company looks to absorb all the growth that has occurred in the past year and to continue renovations at its Carlstadt site. "We have a vision of how we want to improve," Houghton said, "But what each coming year brings—I'd have to be a tea reader to tell you that." ●



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