

## Article From Nashville Business Journal - May 2-6, 1994

### Running hot Foundry's rebound sets stage for national award

By Joli Shackelford

CLARKSVILLE — Charles E. Foust Jr. proved his dedication and commitment to success early in life when as a Boy Scout he achieved the top rank of Eagle Scout.

Last week, Foust, president of Clarksville Foundry, received the Tennessee Small Business Person of the Year award from the U.S. Small Business Administration, proving again his ambition for success.

Foust and 52 other top small business owners will be honored by the SBA this week in Washington, D.C. As winner of the Tennessee award, Foust could be named National Small Business Person of the Year at the national ceremonies.

Earl Bradley III, president and chief executive officer of Heritage Bank in Clarksville, knows about Foust's determination not only as his banker, but as a fellow Boy Scout and Eagle Scout.

"I've known Charlie since our early teens when we were both in the same Boy Scout troop," Bradley says. "In earning the rank of Eagle Scout, it's not just given to you, you earn it and that shows some dedication and commitment right there."

"I learned a little bit about Charlie then, and I knew what his capabilities were — if he said it's so, it's so."



### Loan time

Years later, Bradley and Foust met again. In 1989, soon after Heritage Bank's opening, Foust needed a loan.

"Charlie was really our first act of supporting local businesses here. I had actually made the commitment to him while I was at a previous bank and that bank didn't seem to follow through with that commitment," Bradley says.

"The business would have failed then had we not helped put it back together and arrange the financing."

The loan enabled Foust to purchase new office facilities, metallurgical analysis equipment and a computer network, which was essential for the foundry to stay competitive.

However, one of Foust's most difficult challenges when he became president of the foundry in 1981, was to find a

## Article From Nashville Business Journal - May 2-6, 1994 (pg. 2)

new market niche for an antiquated product. The foundry, which his grandfather purchased in 1912, was still producing municipal castings — basically such things as manhole covers and utility boxes.

The struggling firm needed a new direction for growth.

Today, the bulk of what the foundry produces are component parts used by Whirlpool, Delta International and Ingersoll-Rand. The parts range from a few ounces in weight to more than 750 pounds.

"The niche that we have tried to identify with and tap into is immune to foreign competition largely because of the small volumes we do and the service we provide," Foust says.

"Some of it is immune from competition from some of the larger domestic foundries because they don't want to fool with low-volume stuff and there's a great demand out there for that sort of product."

### Growing again

The foundry not only survived an inevitable demise, it is now in an expansion mode. For this, Bradley nominated Foust for the Business Person of the Year award.

"When Charlie Foust came into the business, he was faced with a number of obstacles that quite frankly, in any instance I've ever seen, a business could not overcome all those obstacles," says Bradley.

"But because it was a family business and he had family pride, he dug in there. He had a lot of creative ideas and put in a lot of hard work to make them work."

Among the obstacles Foust dealt with early on was double-digit inflation, double-digit interest rates, foreign competition, and 85 to 90 percent of what the foundry was producing consisted of the municipal castings.

"He had to make the tough decision to get out of that business and change the whole focus of the company to a highly specialized job-order type of castings, and he had to re-tool everything," Bradley says.

"He knew what his marketing niche was and he focused on that and he just worked relentlessly until one or two o'clock in the morning to get the job done."

### Foundry's performance gives executive shot at national award

*Continued from front page*

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About 80 percent of all the foundries in this country have failed, says Bradley, and Foust should have been one of them.

"There were just so many obstacles that he had to overcome that he just flat shouldn't have made it," he says. "I think he's got a good shot at the national (award)."

#### New life

Matthew Padgett, the company's sales manager, has been working at Clarksville Foundry for 20 years and has experienced first hand the new life Foust gave the foundry.

"It was like the Black Hole of Calcutta," says Padgett. "We went through some mighty lean years and it took us a while to bring up our reputation of quality and consistency."

He says Foust's ability to change and to see the advantages of new technology pulled the foundry out of the hole.

"You either have to respond or get out going out of business," says Padgett.

In presenting the award, Robert Hartman, district director of the Small Business Administration, also noted Foust's innovation, creation and willingness to change.

"In 1978 he took over a business in great need of re-invention," Hartman says.

"He was able to redesign the business in both technology and product, resulting in an increase in employment from 14 to 40 employees. (He) is a credit to his community and to Tennessee, which is why he was awarded this honor."

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*See FOUNDRY, next page*

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"I'm glad he's getting recognition for all the time he's put into it, and we've all sacrificed for it, so I'm proud that he's getting the recognition," says Foust's wife, Debbie.

Foust quietly and humbly mirrored those sentiments.

"It's a great honor to be recognized for years of hard work," he says.

"I wouldn't know how to react to be selected for the number one award of all businesses."

He says he'll be forever grateful to his father for giving him the opportunity to make decisions in the company early on — an opportunity that his own father did not have.

Working at the foundry is as much a labor of love as it is a necessity, he says, and when he gets to the point where he can spend more time away from the business, he says he'll still keep his finger on the pulse.

"Looking back over the last 15 years or so, we see where we had growth spells and reached our plateaus," he says.

"But right now our backlog is such, and the inquiries from prospective customers is such that we're going to see some nice growth."

"We've added some new things at the plant that are going to open some doors for us in terms of new capabilities — machinery and processes."

And growth is good in this industry, where many foundries have failed.

"That leaves the ones that are still existing in a better position," Says a smiling Foust — The Tennessee Small Business Person of the Year.

