

# ENTREPRENEUR

Roynat Capital presents a series of business profiles celebrating the success of Canadian companies



**Since he was a teenager**, Earl Hirtz had a dream. He wanted to own his own business. It kept him going through his early years as a welder on the shop floor. It nudged him toward gaining a trade school diploma and then a degree in business from Simon Fraser University in Burnaby, B.C. The dream kept him going as he ascended the management ranks at a variety of companies over the next two decades. He worked for SNC Lavalin, then a pole maker.

With long-time friends, he created a software company with a focus on business-to-business steel trading.

Each move taught him more of what he figured he would need when the day came to strike out on his own. Along the way, he travelled. Assignments took him to live in Japan, China, Switzerland and Israel. In 2001 alone, he flew in and out of Tokyo 14 times.

Then, in late 2002, the right opportunity came along. Mr. Hirtz and two partners had been searching for a company that would pose the next level of challenge. It had to be involved in the steel industry. Steel was what Mr. Hirtz knew best. It had to be in British Columbia, preferably near Vancouver; Mr. Hirtz was tired of travelling.

"Then, a broker brought CWS to us. We had looked at two or three other companies, but CWS seemed perfect," he says.

Mr. Hirtz and his partners jumped at the chance. CWS Industries (Mfg.) Corp. of Surrey, B.C., was indeed involved with steel. Its Surrey plant designed and made custom cabs and attachments for heavy construction and logging equipment. For the past 18 years, it had been owned and operated by the Fors family.

The Fors had three daughters, none of whom were interested in taking over the reins. Succession had become an issue, so the company was up for bidders. To Mr. Hirtz' discerning eye, CWS had terrific potential. The fact that it was not just a steel company but a steel company aimed at customers in the construction market was a bonus.

Mr. Hirtz' father had been a contractor in Fort St. John, B.C. He had grown up around backhoes and graders and excavators. He had learned the ins and outs of construction around the family dinner table.

Besides, with the Western economy expanding, CWS customers were in a buying mood. They needed equipment to build roads, open up new mines and oil fields, especially in Northern Alberta's oil-rich tar sands. Logging was booming.

Mr. Hirtz also knew from experience that heavy equipment handlers were a finicky lot. Stock cabs and equipment straight from original equipment manufacturers seldom met their needs or approval.

"They are like professional golfers or tennis players," he says. "They want things a certain way. Also, you can't use the same buckets and shovels and accessories in all conditions. You have to change them to meet local soil and rock conditions."

"The attachments you use here in Surrey have to be different from those you use just 15 minutes away in Washington State. There is that much difference in soil conditions. Using the right attachment can greatly increase productivity. You have to give operators what they want."

So, Mr. Hirtz and his partners bought CWS and Mr. Hirtz took over as president. Today, the company has three plants plus a 50% joint venture in Santiago, Chile. The number of employees has grown from 90 two years ago to more than 300 today. Revenue has skyrocketed 500%.

CWS supplies a wide range of attachments to the forestry, construction, mining and oil and gas industries throughout western North America and now to the mineral and forest-rich mountains and valleys of Chile. If companies need a frost bucket, side-tilt bucket, log grapple, snow blade or manual quick coupler, their first stop is often CWS.

"There are other companies that try to reverse engineer our attachments," Mr. Hirtz says. "They buy one of our products, then measure it and try to replicate it, but quality tells. You are not going to try and save 10% on the cost of a log grapple from Joe Blow if it is going to break down in the middle of a logging tract. You could lose hours of production, if not days. You go for quality, and that means CWS."

Mr. Hirtz and his partners had a clear vision for CWS from the start. They would



Earl Hirtz wanted to own his own company, and run it from British Columbia. He has managed to do both in fine fashion.

bring modern management and a pocketful of cash to a fundamentally solid small company. They would use both to grow it quickly.

"We figured we could quickly dominate not just in Canada but also in the Western United States," he says. "We could provide quality custom cabs and attachments right across the board."

Last January, CWS bought IMAC Design Group Ltd. of Edmonton, another custom attachment maker. The IMAC purchase included two subsidiaries: LANTEC, a division based in Langley, B.C., which makes winches and gears, and IMAC Ventures SA, a 50% interest in a Chilean company custom attachments maker.

Chile is also undergoing a boom in mining and logging. "Those acquisitions account for about half our growth. The rest has been organic," says Mr. Hirtz.

Organic may seem too passive a word. Mr. Hirtz boosted the sale force from three to 30, and he began aggressively chasing business. He expanded the design team to 20 engineers. Each works closely with customers to create exactly what the client wants from any custom attachment.

"We provide a really idiosyncratic service," he says. "Where we shine is we



CWS designs, engineers and custom-makes components for heavy machines.

understand our customers and try our damndest to deliver exactly what they want and need."

CWS has also made dramatic inroads into the original equipment market, supplying custom parts and attachments to companies such as John Deere and Caterpillar.

The way Mr. Hirtz sees it, that 500% growth in the past two years is just the beginning. CWS is actively looking for more acquisitions.

"Our goal is to be the dominant force in all of western North America. After that, we will just have to see where we can go next."

## CWS Industries (Mfg.) Corp.

**Head office** Surrey, B.C.

**Business sector** Design, engineering and manufacture of custom cabs, conversions and attachments for heavy machinery

**Market** Western North America, Chile

**Revenue** \$60-million-plus

**Number of Employees** 300

**Web site** [www.cwsindustries.com](http://www.cwsindustries.com)

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