




LONG HAUL
Brothers (from left) Kory, Kyle, and Kurt Kottke run a business that successfully rode through the economic downturn.

Kottke Trucking, Inc.
 Location: Buffalo Lake
 Founded: 1938
 Employees: 112
 2012 projected revenue: \$21 million



By Ingrid Case

TRANSPORTATION

Keeping Cool

Good values and good service helped food hauler Kottke Trucking, Inc., grow throughout the recession.

It's not that Kottke Trucking didn't feel the recession. But the Buffalo Lake-based company primarily hauls food, says Senior Vice President Mike Udermann, and "two or three times a day, people eat."

That insulated Kottke from the worst of the downturn. Though it did offer some large and long-term clients reduced prices, Kottke consistently grew throughout the recession. Kottke had 62 trucks and annual revenue near \$10 million in 2006. In 2008, it had 82 trucks and annual revenue of about \$15 million. By 2010, it was running 92 trucks and earning approximately \$13 million. This year, the firm has 110 trucks and annual revenue near \$21 million.

The other reason for the company's growth? "Quite honestly, we're good at what we do," Udermann says.

Founded in 1938, Kottke specializes in shipping foods that need to be kept refrigerated or frozen. It works for large food manufacturers and distributors including Hormel, Otis Spunkmeyer, and Schwan's Ice Cream, many of which have been clients for 20 to 30 years. The firm's trucks deliver in a 30-state core region that includes Ohio, Florida, Kentucky, New Mexico, and the entire Midwest.

Price is important in Kottke's business, but it's not always the top consideration. Kottke's clients, Udermann says, ship goods that require storage temperatures as low as 30 degrees below zero—the proper shipping temperature for ice cream—so it's crucial that they hire shipping companies that run quality, well-maintained equipment. It's disastrous when a truck breaks down on the road, leaving a shipment melting or rotting.

A good shipper also picks up and drops off loads on time. Goods don't sit on loading docks for hours or arrive at facilities that don't have room to stock them.

Kottke understands his company's needs, says Garrett McSwain, director of transportation at Dayton Freight Lines in Dayton, Ohio. Dayton hires Kottke to haul "everything you might see on a Walmart shelf," McSwain says, picking up and dropping off goods at distributors, stores, and shipping hubs that consolidate multiple loads.

Kottke does reliably good work for Dayton, McSwain says. "They understand our operation and can do what we need them to do. I could have 60 upset customers if they fail. We might have a late load here or there, but their service is outstanding."

Good service depends in part on reliable truckers. Kottke has invested in a stable, qualified staff and works to keep them, Udermann says. "Being a long-haul trucker isn't the easiest job in the world," he notes. "We meet with our board of drivers three to four times a year to understand their challenges on the road and find out what we can do to make life easier for them."

Drivers appreciate jobs that let them see their families often, so Kottke Trucking works to find assignments that send truckers home every night or close to it. The firm's Midwest location also helps keep workers on speaking terms with their families, because it serves as a conveniently located hub for trips that are shorter than they would be if they originated on either coast.

Kottke's dispatch management and on-the-road communications help truckers solve any problems that may come up during shipping or delivery. That helps them stick to their schedules while also keeping customers happy.

Any experienced trucker is a desirable employee, and Kottke Trucking finds that experienced Midwestern truckers are particularly in demand. Its location helps the company hire people "with Midwestern values and upbringing, people who work hard, take care, and value what they're doing," Udermann says.

That has obvious business value, and also appeals to Kottke's owners. The firm will celebrate 75 years as a family business this year. Duane and Connie Kottke ran it until 1996, when they sold it to their three sons. Kurt Kottke is president and CEO, Kory Kottke handles truck and trailer maintenance, and Kyle Kottke oversees financial, insurance, and safety issues.

Members of Kottke's next generation are in high school and college now. Their parents and grandparents hope they'll inherit both the business and the values behind it.