

# Chapter 14

## Case Study: Glastender, Inc.

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### ABSTRACT

*An emerging research area—transgenerational entrepreneurship—aims to understand the role of one type of informal organization—the family—in entrepreneurial value creation process. This case study on Glastender illustrates how its founder, Jon D. Hall, and his kin have engaged in the practice of transgenerational entrepreneurship involving three key steps: first, the founder establishes a business unit that represents his historical expertise, vision, innovation, strategy, structure, tradition, and entrepreneurial mindset; second, he enmeshes this unit with that of his family and creates a controlling family unit that comprises of family history, ownership structure, kinship ties, shared intuitive leadership, shared practical knowledge, and shared entrepreneurial culture; third, using this “familiness” factor, he mentors and shepherds the second generation family entrepreneurs to be proactive, innovative, and risk taking, thereby leading to enhanced entrepreneurial performance, and in turn creating value across generations.*

### INTRODUCTION

Two fundamental sets of questions guide the study of value and wealth creation in organizational sciences, the first set of questions pertain to entrepreneurship, and the second set of questions are in the realm of strategic management domain: First, why are some individuals and firms more successful in creating value and wealth than others? (Shane & Venkataraman, 2000). Second, why are some individuals and firms more successful in growing and managing the value and wealth over long term through the development

of sustainable competitive advantage? (Rindova & Fombrun, 1999). An emerging research domain that integrates these two sets of questions is “dynamic capabilities through transgenerational entrepreneurship”, that involves the study of “the processes through which a family entrepreneurial venture creates trans-generational value through the acquisition of dynamic capabilities to innovate and adapt to the changing market conditions (Nordqvist & Zellweger, 2010). Fundamental questions in this research stream include: How do family groups generate and sustain entrepreneurial performance across generations? How does the

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family systemically influence the organizational ability to generate entrepreneurial performance within their constellation of business activities?

Our case study identifies a Mid-Michigan family business—Glastender and offers a business portrait of transgenerational value creation by its founder Jon D. Hall and his kin. The case study is organized as follows: First, we provide an overview of Glastender, its origins, history and product portfolio; company timeline; and company operations, capabilities and innovation. Second, we discuss the motivations of Jon Hall in founding Glastender, and drawing upon Glastender's success, we propose a few characteristics that are key to create and sustain a successful family business venture. Third, drawing upon Glastender's founder Jon Hall's rich experience in creating, managing, and shepherding second-generation entrepreneurs, we identify and elaborate a few key mental attributes of a successful family business entrepreneur. Fourth, we discuss Glastender's family business succession planning initiatives, identify a few opportunities and challenges of the transition process, and articulate how the second-generation entrepreneurs' are contributing toward transgenerational value creation. Finally, drawing upon the shared experience of both the

first-generation and second-generation entrepreneurs' at Glastender, we propose a few lessons for budding entrepreneurs' to create and sustain a successful family business across generations.

## Company History and Product Portfolio

Glastender is a family owned manufacturing company of bar equipment and specialty food products. Headquartered in Saginaw, Michigan, USA, Glastender, Inc. was established in 1969 when its founder and CEO, Jon D. Hall invented the world's first automatic rotary glasswasher. The cutting-edge glasswasher design saved space and eliminated wasted steps for bartenders. The second automatic rotary glasswasher sold was incorporated into a pass-thru cocktail station. The innovative station design allowed bartenders and servers to work as a team, doubling bartender output. The company's product portfolio includes glasswashers, cocktail stations, underbar stainless steel, modular bar die, underbar and back bar coolers, Slide top coolers, mug frosters, beer dispensing systems, food service equipment, and bottle disintegration systems.

*Table 1. Glastender, Inc. company timeline*

1961	Jon Hall joins his father, William, in the company business Equipment Distributing Company, a dealer focusing on distributing and leasing Kold-Drafts ice machines. Jon attends his first National Restaurant Association Show.
1964	Jon invents the world's first ice dispenser.
1969	Jon invents the world's first automatic rotary glasswasher which is called a "Glastender." The name Glastender becomes a new business venture.
1976	Moved from original leased factory in downtown Saginaw to our current location in Kochville Township by purchasing a 12,400 square foot facility on Agricola Drive.
1978	Started offering stainless steel underbar.
1979	Jay H. Kegerreis joined Glastender, Inc. as a corporate investor and Vice President, Secretary and Treasurer. He provided the company with much needed expertise in business, sales, and finance.
1984	First expansion, adding 4,600 square feet for a total of 17,000. Also purchased our first Strippit rotary turret punch machine.

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