Delivering a legacy from generation to generation

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BY SALLY FRIEDMAN

Like many successful family businesses, A. Duie Pyle Inc. of West Chester, Pa., began humbly.

In 1924, A. (Alexander) Duie Pyle, a young husband and father, purchased two old trucks from a neighbor in Coatesville, Pa. From one man and his two trucks grew an enterprise that now has 2,500 employees; facilities totaling 2 million square feet in Pennsylvania, Delaware, Massachusetts and New Jersey; and, as of 2014, revenues of $318 million.

With the fourth generation now on the scene, A. Duie Pyle has been establishing a board of directors, developing policies and working on a transition plan. The third generation made this project a priority—so much so, in fact, that a non-family president took over for a few years so the family CEO could focus on this task.

Although the founder would recognize little about the company that bears his name, its commitment to customer service remains a constant.

The early years

Duie Pyle had a way of turning obstacles into opportunities. He quit school in his teens to work on the family dairy farm and then sought and won employment with Lukens Steel in Coatesville, Pa. But after he married his sweetheart, Mary Ellen Pannebaker, in 1920, Lukens had a layoff, and Duie’s employment ground to a halt.
Duie filled his time with several jobs; he built roads and helped his father on the farm. Then it was back to Lukens Steel in 1922, where he did grueling work in the company’s coal pits. The purchase of those two trucks in 1924 marked a ray of hope for a man who simply wanted to support his family, ideally away from the heat and fumes of the coal pits.

The young entrepreneur seemed to have a knack for growing his small business. Soon he would buy more trucks and hire drivers to haul whatever needed to be hauled, including furniture and ice.

Just when things seemed to be stabilizing, along came the Great Depression. But even during those tough times, the company was able to increase its fleet to 20 trucks by 1932, and broadened its operations to include hauling hay, animal feed and other farm commodities within the Coatesville area. The company would ultimately expand to offer truckload, “less-than-load” (deliveries containing merchandise from different shippers) and warehouse services to a roster of customers that included Duie’s former employer, Lukens (which later became ArcelorMittal).

In a video created to honor the company’s 85th anniversary in 2009, Gladys Flamer—the widow of A. Duie Pyle’s first driver, Paul Flamer—reported that during the Depression, “Life was real hard. We almost lost our home, but Duie helped us through.” Flamer, who was then 102 years old, added of Duie, “He was a wonderful man.”

Duie weathered many storms. His company withstood challenges and major changes to the trucking and transportation industry, including regulations established by the federal Motor Carrier Act of 1935, followed by state regulations.

During the World War II years, the still-modest company, which then had 35 trucks, played a remarkable role in the war effort. Pyle trucks transported some of the materials for the Manhattan Project, which culminated in the creation of the atomic bomb. Company officials and employees were not told the nature of the goods they were delivering until later, the family reports.

War affects families deeply, and for Duie Pyle, it meant watching a son-in-law go off to military service. James Latta—husband of Eleanor, Duie and Mary Ellen’s only child—served in India and Burma. He returned unscathed, but more mature, in 1945.

**The second generation: ‘Don’t become complacent!’**

It was around that time that Duie Pyle began to wonder about the future of his burgeoning business. Who would take over the reins, especially if his health failed, or he

Standing, from left: Frank Granieri, Duie Latta, Peter Latta, Jimmy Latta. Seated, from left: Hans Latta, Becky Granieri, Duie Latta Jr. Framed photos are of Alexander Duie and Mary Ellen Pyle on the left, and Jim and Eleanor Latta on the right.
The founder's legacy

Founder A. Duie Pyle left his family a great business legacy, but one personal story has special meaning for his descendants.

When Duie was at the end of his life, he was being treated at a hospital in Coatesville, Pa. His first driver, Paul Flamer, was also at that hospital. Duie asked that Flamer be his roommate. The hospital administration refused to allow it because Flamer was a black man, and having them in the same room was inconsistent with hospital policy.

As the story goes, Duie was incensed, and insisted that the room change be made. And it was. So these two men, who had begun their working lives together, also ended them together. Duie Pyle died in 1963; Paul Flamer died some time later.

The story, family members say, aptly describes the man Duie Pyle was. —S.F.

The company's position was that the cost of granting the union's wage demands would put it out of business within the next several years. Hostilities and disruptions took place, and court proceedings ensued. It was a deeply divisive time.

A group of union members (reportedly 53%) filed a decertification petition with the National Labor Relations Board (NLRB). In September 1979, the NLRB conducted an election in which an overwhelming number of those eligible to vote chose to remove the Teamsters. After the vote the union was officially decertified.

At that point, the leadership of the company believed that the interests of the employees and the company would be best protected if Pyle remained a union-free company. It has continued to be union-free since that time.

Another watershed event occurred with deregulation of the trucking industry in 1980 and the resulting price competition in the “less than load” segment. Pyle survived and even thrived in this competitive atmosphere.

After the death of Jim Latta in June 1995, his 50 years of association with the business was summed up by the family in a letter to Pyle employees:

“If it is possible in today’s business world to achieve a family atmosphere grounded in mutual trust, respect and loyalty, this was Jim Latta's legacy at Pyle.”

Jim Latta’s three-word mantra—“Don’t become complacent”—lived on as A. Duie Pyle transitioned to the family’s third generation.

A third generation takes the helm

Jim and Eleanor Latta’s three sons, Peter, Duie and Jimmy Latta, had grown up in the trucking business. All three joined the company; their sisters, Jane and Ellen Ann, did not.

Four years before their father's death, Peter Latta, trained as a lawyer, was named president of the company. The brothers took control in an era that proved to be intensely competitive.

The late Jim Latta had had the foresight to partner with Southeastern Freight Lines, based in Columbia, S.C., in

had an untimely death?

Duie hoped his son-in-law would join him in the business and carry it on. But Jim Latta did not automatically agree. According to family lore, he responded to the offer as a newly returned veteran with the announcement that he would need some time to make any decisions. Happily for the future of this company, James Latta ultimately accepted his father-in-law’s offer.

Some matches are made in heaven. From 1946 until the early 1960s, these two men not only shared an office and had lunch together most days; they also had the kind of harmony that Duie’s daughter, the late Eleanor Latta, often described as the inspiration and rock of the family. The two men “never even had a cross word,” she once said.

It was often suggested that James Latta became the son that Duie Pyle never had. In a commemorative book marking the company’s 85th anniversary, Eleanor Latta quipped, “If Jimmy and I had a fight, then I would be the one on the way out! My father and my husband had such tremendous respect and affection for each other.”

When Duie Pyle died in 1963, Jim Latta was ready to lead.

Latta has been described as a perfect philosophical successor to his father-in-law, but the refrain that comes up most often concerns their common progressive and innovative business decisions, coupled with firm, old-fashioned values.

During the early years when Jim Latta ran the company, a crisis erupted that was one of the most profound A. Duie Pyle would ever face.

Back in the 1940s, the company had started hiring union drivers after many of its customers declared that they would not take deliveries from non-union drivers.

After more than 30 years of contracts with the Teamsters Union, in May 1979 the company and the union, attempting to negotiate a new contract, came to an impasse. The Teamsters declared a strike at three Pyle locations.
order to expand its services beyond the Northeast. Additional joint ventures would follow.

But Mother Nature had other plans. In January 1996, a heavy snowstorm followed by heavy rains caused a roof collapse at one of Pyle’s facilities, resulting in six months of lost warehouse space.

That loss was balanced by a gain in the same year with the opening of the company’s terminals in Pittsburgh and Altoona, Pa. The company also began to implement emerging technologies to make operations run more smoothly. More expansions occurred as Pyle added terminals in New England. Revenues in 1997 reached $50 million.

In the last years of the 20th century, the company continued to grow, and the brothers had settled into their roles. All three had spent summers working at Pyle.

“Our father was really wise in not pushing us into joining the company, but he also wanted us to have the exposure that would let us make a valid decision,” remembers Peter Latta.

The three brothers gravitated naturally to their roles in the company. Peter, 58, known for his “big-picture” vision and his penchant for detail, is chairman and CEO. Jimmy, 65, is vice president of business development. Duie, 61, serves as director of employee relations.

“It’s been the best fit for all of us,” Peter says. “My brothers allow me to run with the football, but honestly, we’re all workaholics.”

Happily, it’s not just all work. “We live within five miles of each other, and we celebrate holidays together,” Peter says. “As our individual families have grown, it’s a pretty big crowd, and life with children and now grandchildren is complicated. But it’s also extremely important!”

Peter says the brothers confer on all major matters. One of those was the decision to hire someone outside of the family as leader, a move that was made in 2006, and one that proved to be wise.

Steve O’Kane was already an admired figure in the transportation arena when he came into the company as its first non-family president. “It was the right moment, and one of the best decisions we’ve made,” says Peter.

The arrival of O’Kane in 2006 was carefully timed to allow Peter to devote himself far more to the key and critical priority of succession issues as well as the creation of an outside board of directors.

O’Kane had been CEO of New Penn, a transportation company based in Lebanon, Pa. According to Peter, O’Kane was a good fit with Pyle’s culture and core values.

O’Kane announced in advance that his leadership stint would be temporary; he retired as planned in 2013.

As the fourth generation comes of age, Peter and his brothers are taking a close look at the company and carefully planning the future.

**Confronting succession issues**

Putting a board of directors and a succession plan in place took several years—and a deep commitment on the part of the company. With O’Kane running day-to-day operations and helping to guide the succession planning process, the third-generation family members made key decisions.

When the board was first established in 2007, it consisted of three independent directors, Steve O’Kane (a senior non-owner company leader), and the three third-generation owners (who are all actively working in the business).

This configuration has since been tweaked. Now the board can include up to four independent directors (there are three at this time), up to two directors who are
non-owner senior leaders (two are currently serving on the board), the three third-generation owners, and one fourth-generation non-employed owner (or non-employed spouse of a non-employed owner; currently, Duie’s son, Duie Latta Jr., holds this seat).

A detailed transition plan is in place for the future. When the first third-generation director retires from full-time employment, a fourth-generation employed owner (or employed spouse of a fourth-generation owner) will be elected to replace him.

Upon the retirement of the second third-generation owner, two directors will be elected: an employed fourth-generation owner (or an employed spouse of a fourth-generation owner); and a non-employed fourth-generation owner (or a non-employed spouse of a fourth-generation owner).

When the last third-generation owner retires, two directors will be elected: an employed fourth-generation owner (or employed spouse of a fourth-generation owner), and a non-employed fourth-generation owner (or non-employed spouse of a fourth-generation owner).

When all three third-generation owners are retired, there will be six board seats designated for fourth-generation owners or their spouses. Three of those seats will be reserved for employed fourth-generation owners (or employed spouses of fourth-generation owners). The other three seats will be reserved for non-employed fourth-generation owners (or non-employed spouses of non-employed fourth-generation owners). Those six seats will equal the six seats reserved for independent directors or directors who are non-owner business leaders.

Retired third-generation owners will be invited to attend board meetings and receive all board materials, but they will be deemed emeritus directors and will not have a vote.

To help develop future family board members, the company has created a Board Observer Program for the fourth generation. Each year two fourth-generation members or spouses are elected by their fourth-generation peers to attend and participate in the four quarterly board meetings. After the meetings, the observers brief the other fourth-generation members on what transpired.

“I’ve been really impressed to witness how individuals think and engage during these calls,” says Sarah Latta, Peter’s 29-year-old daughter, who has served as an observer. “It’s important communication that will only benefit us in years to come.”

In 2011, the company adopted a Marital Property Agreement Policy to mitigate risk in the event of a domestic falling-out between a family member owner and his or her spouse.

### Bringing the fourth generation along

There are 12 members of the fourth generation, only nine of whom are owners. (The stock owned by three of the fourth-generation members was redeemed by the company.) Currently two fourth-generation members work at Pyle.

Hans Latta, the 34-year-old son of Duie Latta, has worked for the company for about three years.

Hans has completed the first phase of the orientation/assimilation rotation, an experience all family members who choose to join the company take on so they can learn every phase of the family business. He has stood on truck-loading docks in bitter cold and has handled the graveyard shift more times than he can count.

Each aspiring family member must spend three years working outside the company in order to be considered for entry. The purpose: to establish a work history and a track record outside the family business.

Hans practiced law for three years before beginning what he hopes will be the main chapter in his working life: a career with Duie Pyle.

“It’s been wonderful and very important in terms of really learning the business,” says Hans. He says he always knew he wanted to join the company but realized his time working in a national law firm on mergers and acquisitions and other corporate legal matters was valuable training. “Here, I’m already contributing, and that feels right to me,” he says.

Rotation through the departments enables the new family employees to learn practical as well as business skills.

“You pick up the rhythms, you see the place in its busiest times, when the pace is really hectic,” Hans explains. “You even see how to manage when things do prove to be intensely competitive.
The immersion proved to Hans that he could remain even-tempered in the buzz of operations, including the work on the loading dock. “It can be physical, and often is, but nobody at Duie Pyle—including those of us in the family—is too good to sweep out a trailer,” he says.

Peter’s daughter Becky, 31, worked in Pyle’s customer service department during the summer between her junior and senior years at Gettysburg College. “I was a business major, and I could really apply what I learned in the classroom to real life,” she recalls.

Becky worked outside the family business in human resources. Today she is happily a stay-at-home mother of two toddlers, with another baby due in June.

“Even though it’s really hard, I love my choice, certainly for now,” says Becky, whose own mother made the same choice and is an inspiration to her.

Becky has participated in Pyle’s board observer program, which has given her a window into all phases of the business. Her husband, Frank Granieri, is now an executive overseeing customer service at Pyle; he has worked for the company for about two and a half years. “So in a way, I’m still connected with the company,” says Becky.

Becky’s sister, Sarah, co-wrote the book commemorating A. Duie Pyle’s 85th anniversary, along with veteran business writer Bruce E. Mowday.

“I loved working on the book,” says Sarah, who lives in San Francisco. “I’d heard stories and pieces growing up, but to get to do a comprehensive history—to go through decades of old photos—was an incredible experience.” She adds that she came away with an enormous sense of pride about the perseverance and work ethic of those who came before her. Sarah currently works as a freelance writer and is about to launch her own content creation company. Whether she will join the family business is an open question for now.

“The generation before us gave ours the opportunity to figure out how we might each make an impact,” says this fourth-generation family member.

An early innovation was the company’s design and use of a device to protect motorists by removing snow from the roof of a trailer before it entered the highway.

For Sarah, and for other members of her generation, that has been a gift. And for that, she notes, she is eternally grateful.

The last words

Peter Latta recalls a conversation he had with his father at the end of his father’s life.

Jim Latta told his son that his only regret was not living to see what “you boys,” as he called his sons, would accomplish in the future.

“I think stepping aside will also be hard for all of us when it’s our time to do that,” Peter says. “We all love this company, we all so respect its roots. But the time will come when the next generation, we hope, will become its faithful stewards.”

Sally Friedman is a writer based in the Philadelphia area.