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# 100 YEARS OF BUSINESS



Schaeffer

CEO Tom Hermann, Chairman of the Board John Shields, and President Jay Shields, pose near a portrait of Schaeffer Manufacturing's founder, Nicholas Schaeffer.



# Schaeffer Manufacturing Company

## St. Louis, est. 1839

**B**EFORE THE St. Louis Arch was built on St. Louis's famous waterfront, Schaeffer Manufacturing was located in this spot on Second Street exactly between the two legs of the Arch. The company began by providing soap for general stores, candles for miners in the 1849 Gold Rush, and axle grease for wagon wheels and steamships that plied the Mississippi.

The founder, Nicholas Schaeffer, was born in Germany and immigrated to America with his mother and brothers in 1832. Shortly after arriving in America, his horse was stolen, and the family crossed the Allegheny Mountains on foot. He settled for a few years in Cincinnati before he came to St. Louis to found his company in 1839. Despite simple beginnings, Schaeffer's business quickly grew, making him St. Louis's first millionaire.

Six generations later, the company remains headquartered in St. Louis with 10 warehouses across the country. Schaeffer Manufacturing employs more than 500 and is slated to post more than \$120 million in revenues in 2012. Today the company sells synthetic oils, greases, and lubricants for

agriculture, construction, contracting, commercial, mining, trucking, and manufacturing businesses.

This success didn't come easy, and changes in the marketplace forced the company to reinvent itself time and time again. Schaeffer Manufacturing President Jay Shields recounts the 1880s were the roughest.

"We sold soap to general stores across the Midwest and dominated that market until two of our soap brokers, a couple of guys out of Cincinnati named Proctor and Gamble, decided to go on their own, put a wrapper around their soap, and made it float. That was the beginning of the consumer sale of soap by name brand and, *whoosh*, there went our soap business!" Shields says.

Turning its focus to candle sales, Schaeffer Manufacturing kept business going until the end of World War I, due in part to a contract with the U.S. Army.

"But by the 1920s, that young up-start Tom Edison had perfected the electric light. *Whoosh*, there went our candle business!" Shields says.

Luck and a little bit of foresight by William Shields saved the company. William, the vice president of Old Judge Coffee, married Marie



Schaeffer Manufacturing is family owned by (from left) Rich Niedbalski, Will Gregerson, William Hermann, Tom Hermann, Jill Niedbalski, John Shields, Jay Shields, and Jamie Duke. Right: The 1950 Schaeffer sales force.



Schaeffer (Nicholas Schaeffer's granddaughter) and decided to preserve the lube segment of the company by making private label oil for companies like MFA. The generations that followed built on that business.

Schaeffer Manufacturing Company was able to adapt its company to survive the years. But there was one interesting "missed opportunity" in the company's history.

"Nicholas Schaeffer was best friends with another soap and candle manufacturer, Eberhard Anheuser," Shields says. "When Eberhard's soap plant burned down in the fire of 1849, Nicholas invited him to manufacture his soap and candles with us until he got back on his feet. The company name was changed to Schaeffer-Anheuser Soap and Candle Manufacturing. One day, Eberhard came to Nicholas with the idea to buy the Bavarian Brewery, which had gone bankrupt. At the time, St. Louis had 150 breweries, one on every street corner, so Nicholas told him, 'I think I'll pass. Soap is where it's at!'"

Anheuser went forward with his plans to buy the brewery. He was later joined by his son-in-law Adolphus Busch.

**The Schaeffer Manufacturing plant (center foreground) is pictured in this photograph taken in 1966. Founder Nicholas Schaeffer was St. Louis's first millionaire.**

"The rest is history," says Shields, content with Schaeffer's decision that has allowed his family to remain involved in the business generations later. He has good reason to be proud. Schaeffer Manufacturing has grown an average of 10 percent annually for the last 20 years, and the future looks just as bright.

"If we continue to grow at that rate, we will be over \$200 million in 10 years," Shields says.

A superior product and an expert sales force is the key to that growth.

"Maintenance professionals will continue to need highly trained sales reps to help them get the most life and efficiency out of their equipment," Shields says. "Our synthetic oil costs about 50 percent more than petroleum oil but lasts two to three times longer. Customers say it reduces their total operating cost per mile an average of 30 percent." <sup>MB</sup>

