

## **The History of Scherer Bros. Lumber Co.**

### **Beginnings:**

At the turn of the 20<sup>th</sup> century, there were vast white and red pine forests canvassing central and northern Minnesota. These forests provided the framing for Midwestern cities like Chicago and Minneapolis.

Logs that were cut and branded in the counties between Minneapolis and Bemidji were deposited into the Mississippi River to be swept into the great sorting and holding booms that fed the "wildcat" mills along the river. Often, hidden obstructions and frequent low water caused the logs to become jammed and driven deep into the soft sediment of the river bottom. This accumulation of logs continued for years until much of the great forests were cut and the mills closed. The submerged logs sat silently in the river's mud just waiting for a new era to come.

That new era came into being in the late 1920s when so-called deadheaders began to probe the river bottom for the sunken logs. Often deadheading logs was a dangerous job that took special skill and knowledge. The deadheaders, mostly old river-wise lumberjacks, cruised along the river currents probing the bottom with long iron poles. They studied the currents and carefully recalled the spots where the big logjams had clogged the river. When men found logs, they would push a hook and chain underneath one and haul it up with a winch onto the scow (boat). One particular jam was so rich it came to be known as White Pine Island. There, buried twenty feet below the surface, was a pile of fine White Pine totaling 1.5 million board feet. As the men worked this bonanza, logs popped to the surface often bearing the marks of extinct, but famous old logging outfits.

In 1929 two enterprising young men, Munn and Clarence Scherer built up a small but thriving business farming and bailing hay in western Hennepin County. To bale hay, the sun must shine, but unfavorable weather put a strain on the Scherers' business. Munn decided to hire himself out to his brother-in-law, Joe Leuer, who in turn hired out Munn, himself and his tractor to a deadheader on the Mississippi River near the North Minneapolis city limits.

After a short time and few paychecks, Joe decided that his future lay back home so he

returned to Medina, Minnesota. Munn held on long enough to realize that he was working in a floundering, but potentially viable business. Munn and Clarence decided to buy half-interest in a lumber mill for \$240, which may have come from their father. One month later, at the depth of the Great Depression, they bought out their partner by giving him 1/2 of the deadhead lumber as payment in full.

During this time, Clarence and Munn each owned farms east of Hamel, Minnesota. They rose at four o'clock every day to face a heavy workload: they would do the chores, have breakfast, pack a lunch, and travel the dirt road into the city for work.

The early years of the operation were difficult and posed many struggles. Sales were slow and payments for jobs done were sometimes nonexistent. Clarence remembered fondly that one of the first big checks they received was for the staggering sum of \$900. Between the time they got the check and the time they tried to cash it, the bank had failed. Meanwhile, of course, they had spent the money. Moving fast, he took out a loan at one bank, rushed over to pay for the bad check at the other bank and somehow managed to stay afloat. This practice is now known as 'check kiting' and is illegal today. Luckily, it was an accepted practice at that time. Although it was generally accepted that on any given day Clarence and Munn were bankrupt, the absence of proper bookkeeping kept this from their attention and they kept plugging ahead. Eventually, they did fill a large order for the First National Bank Building in St. Paul which kept them afloat.

As if the Great Depression, in itself, was not enough to dampen an entrepreneurs' spirit, individuals who took advantage of a vulnerable situation served to complicate matters. One day while Clarence and Munn were out loading deadheads onto their scow, two characters in a small boat rowed out to them. The one rowing was round and subdued, while his hawk-faced partner in front was waving his arms and shouting to gain their attention. Pulling alongside them, he climbed aboard and quickly introduced himself and then extracted a folded parchment from his inside coat pocket. The hawk-faced man went on to assert that he had just completed a transaction in which he had purchased all the deadhead logs in the Mississippi River. According to his document, from that day forth, Clarence and Munn would be obliged to pay him \$5 per thousand board feet of lumber for all deadheads harvested. Clarence glanced at the paper and looked hard at the man, quietly pondering this proposition for a moment. Then, reaching for a short pole he said, "Mister, I don't know who you are and I don't know where you come from,

but when a man is a crook it does something to his face and there's something wrong with your face. Now, if you're trying to put me out of business, I think I'll drown you first." As he made a rush for the two visitors, they scampered for their boat, rowed quickly to shore and were never seen again on the river.

From the 1930 to 1940's, deadhead logging on the stretch of the Mississippi River, between Minneapolis and Lake Mille Lacs, produced some 22 million board feet of lumber. Of this amount, Scherer Bros. probably sawed about 15 million board feet. At times there were as many as nine outfits working the river. They all went broke except for Clarence and Munn whose drive and dedication made them impervious to failure.

After 20 busy years the river harvest dwindled from a peak production of up to 1 million board feet per year to less than one hundred thousand feet. As wages climbed, and old lumberjacks began to vanish, the time came to bid logging on the Mississippi River farewell. As a final gesture of sentiment, Clarence and Munn relocated their first sawing rig, which they had sold some years before, and reinstalled it in their yard.

## **World War II:**

The start of World War II brought growth and change to both the logging industry and to Scherer Bros. Lumber Co.. Munn enlisted in the Army, ending the brothers' partnership. Clarence bought out Munn's half-interest for the sum of \$50,000, of which he paid \$10,000 in cash and secured the balance with a promissory note.

The wartime made for long hours and hard work. The draft had a big impact on labor, and employees took up slack wherever they could, doing work that wasn't in their normal job description. For instance, Frank Adams, who would become a long-time employee of Scherer Bros. , sold lumber by day and worked in the mill at night. Clarence bought lumber and took care of the office during the day, then filed saws when the day was done. It was an intense, "creative sawing," period in which one had to make-do. For example, odd-sized lumber, often referred to as "rip and trim" stock, was not subject to rationing during the war. So, Clarence purchased 50 carloads of this odd-shaped material, and the mill sang around the clock, converting the rip and trim into useful products for the war effort.

## **Post War:**

The postwar policies that brought Scherer Bros. Lumber Co. to its present prominence in building materials were as important for what they did not do, as much as for what

they did accomplish. Roger Scherer, Clarence's son, recalls his father's arguments with large lumber dealers at the time; Clarence believed in the small professional builder, while the larger dealers contended that the future was with large contractor developers.

Clarence and Munn persevered, shaping and designing their business policies to satisfy the skilled tradesman: they offered better quality, more personal service, and at times when a builder had a problem or was short of capital - financial assistance to credit-worthy builders. Their policies paid off with loyalty that has continued throughout three generations of customer relations.

When the opportunity presented itself to build prefabricated homes or components, Clarence and Munn made several false starts attempting in-shop construction. Even with the brothers' ingenuity, mechanical ability and management skills, they could not save the good carpenter-contractor money with factory-built housing. The consumer preferred the professional builder nearly every time because the builder catered to individual preference, made transportation easier, and offered variation from plan to finished product. As a result, Clarence and Munn shifted their in-shop focus in a new direction.

The brothers found that they could make better window and door units than the competition and sell them for less money. As time went by, steel entrance systems and patio doors were also added to the product lines. The company further expanded by offering inexpensive, but high quality millwork, doors and windows. Scherer Bros. was ahead of its time when it made available triple-glazed windows, long before the energy crunch made their practicality obvious to others.

### **Next Generations:**

In the 1960s and early 1970s, the next generation of Scherer brothers begins to enter the business. Roger, Gary, Mike and Greg bring fresh energy and new ideas to Scherer Bros. Lumber Co.. During this transition, 25 lumberyards compete for the housing market in the Twin Cities and Scherer Bros. has annual sales of \$8,000,000.

**1976** - Severe backlog of truss deliveries gives birth to Truss Manufacturing Company in Albertville, Minnesota.

**1983** - Adventuresome but ill-fated effort to sell window products in Seattle, Washington results in the formation of Scherer Bros. Westco. Scherer Bros. subsequently sells the

company to its manager in 1986.

**1985** - Scherer Bros. acquires the Arden Hills Yard as part of a Stewart Lumber divestiture.

**1990** - Scherer Bros. Cabinet Division, a cabinet distribution company, provides a new product niche.

**1994** - A small installed shelving company, owned by Katie Harms, is incorporated into Scherer Bros. , thus beginning a serious push into the value-added, installed products market. The business expands to include siding, soffits and wood flooring. The shelving business eventually consolidates resulting in Scherer Bros. Installation Services.

**1995** - As construction extends out into the third and fourth ring around the Twin Cities, construction companies display a desire to buy locally. Scherer Bros. responds with a major expansion in Shakopee, Minnesota, and again in Albertville in 1999.

**Late 1990s** - Scherer Bros. makes the commitment to grow the remodeling business through the development of a specialized remodeling team strategy, called The RemodSquad. The strategy proves very successful.

**2001** - In response to the continued growth of the 50-year-old FarNorth window line, Scherer Bros. constructs a window and door manufacturing facility in Champlin, Minnesota. Scherer Bros. also adds another lumberyard to the fold with the acquisition of Justus Lumber Company. All millwork is consolidated and branded under the Millwork Solutions name. This new focus brings builders and remodelers a complete millwork package from a single source backed by a specialized millwork sales team.

**2003** - Scherer Bros. Truss Division creates the SuperAttic Truss brand to promote this labor and time saving product. The Truss Division also offers window and siding installation services to its professional customers.

**2005** - Scherer Window & Door Consultants brand is created to leverage window service experience and enter the window replacement market. Scherer Window & Door Consultants offers homeowners a choice between Marvin Infinity™, FarNorth™, and Hayfield window lines.

**2006** – To address the changing market desires, Scherer Bros. discontinues window manufacturing to focus on distribution.

**2008** – The decision is made to mothball the Albertville yard in response to significant decline to homebuilding.

**2010** – The Minneapolis Park Board buys the majority of Scherer Bros. first location (Minneapolis yard). Scherer Bros. further consolidates operations to 3 yards (Arden Hills, Shakopee and Hopkins).

In 2010, Scherer Bros. celebrated 80 years of service to the Twin Cities' building community. It is an achievement shared by the uncommon dedication of our employees and the unusually loyal patronage of our building and remodeling customers. This heritage of success is due in greatest part to the vision, creativity and courage of the second generation Scherers: Roger, Gary, Mike and Greg. They guided the company through material shortages, flood and fire, while growing the company from one yard to five yards. Today, Scherer Bros. makes dozens of building products and offers builders and remodelers a service for nearly every aspect of building. This legacy of providing creative solutions to the building community is now ours to keep and build upon continually.