

The gift of gab and a bus not a cab gives Coffey the sweet smell of success

By Cliff Carlson

The youngest of five, Phil Coffey is a true Southside Irish boy. He attended St. Thomas Moore Grammar School at 81st and California and Brother Rice High School at 99th and Crawford. His attention span was short in those days, and he had to work at it to finish somewhere around 425th of 435 students in his graduating class.

His father, John, worked for the City of Chicago and for McKee and Pogue, a prominent Southside realtor in its day. "My dad retired as executive director of development for the City of Chicago," Phil said. "He was a tough Marine. He was sharp, loyal, and probably the brightest business guy I ever met. He knew B.S. from gold and was a great mentor to me. Most of what I do well I got from my father."

Phil comes from a family of liberal Democrats who are huge White Sox fans. "I, on the other hand, am a proud Republican and a Cubs fan. In fact, I negotiated buying my house at a Cubs game," declared Phil.

He had a hard time getting into college, but made it through four years at Southern Illinois University. Afterwards, "I kind of drifted," he said. "The thing that saved me in life was that I was always interested. I listened well. I love history, culture, and people's stories, and I guess I am a bit lucky."

Phil's dad got him his first job at the Edgewater Beach Hotel as a landscaper in the summer and a doorman in the winter. The job was a great teacher for the professed listener, and Coffey worked his way through college while there. He was very friendly with the people in the building, fascinated with the lifestyle that was so different from his. When college days were wrapping up, a tenant in the building suggested to a friend that he should hire Coffey.

Phil became a food broker for Mid-Central Foods. It was a family-owned business, and nepotism was strongly adhered to. Phil was assigned to sell to the small independent stores, and sell he did. He used his Southside Irish savvy to listen to the owners of these small stores. He reeled off his own yarns as any good Irishman would. He met the fellas at the bar and deals were made. He sold well and he sold a lot. In no time he was

selling more than anyone in the company.

But Phil was indifferent, even hostile, to management and structure. He got into a beef with his boss. When the boss wanted Phil moved, upper management moved his boss instead. It was an early lesson that people would bend the rules for a rainmaker,



but his hostility to management and structure continued to haunt him. A buddy in the company gave Phil some good advice: "Don't make a career out of this. Look around. It's better to be a big fish in a big pond than a big fish in a small pond."

Phil took a look around, and when the opportunity arose, he took it. A friend mentioned that Effengee Electric was hiring. "I went to work for them and they took me under their wing and groomed me to take over for an older guy who was retiring. I had the same problem there. I did a great job, but I was hard to live with. I got along great with the customers, but not with management. It takes doing management's job to realize that they aren't so dumb after all," laughed Phil.

Coffey always had a sixth sense about how to make some-

thing work. At 25 he was living a bachelor's life in Lincoln Park. He was out at night talking to the girls until 4 a.m. and up at 8 a.m. talking to his customers. It was 1981. Technology was starting to change everything. Phil took a job with Sencon, a company that made sensors and controls at the start of the computer age.

kibbitzing and networking with the guys.

But management was still a problem. Phil and his latest boss didn't see eye to eye. His boss tried to get him fired several times and finally, two weeks before Phil was to marry, his boss succeeded in removing him. "I went to my future wife and her parents, who were mortified, and I told them that I wasn't worried and they shouldn't be either. Secretly, I was scared. I was getting married, starting a family, and it seemed like being fired was becoming a pattern! We had a huge wedding with a fabulous honeymoon in Hawaii. That was where I learned to do everything first class. I spent every last penny on the honeymoon and had a wonderful two weeks."

As luck would have it, the day he returned from Hawaii his phone rang. A headhunter, Keith Newman, had heard about Coffey and had a golden opportunity for him, if he could fly out that same day to California and interview for a job. His wife said, "Go!"

Every candidate Keith had sent so far failed in the interview process. He needed Phil in order to make or break the deal. "These guys in California are tough, and they have tough requirements. I can meet you at the airport and brief you on them," Keith told him. Phil met Keith for the first time at the airport. "If you get through the first guy you've probably got the job, but I've thrown a lot of candidates at him and none have gotten by so far," Newman lamented.

Phil was impressed with the briefing Keith gave him and felt he knew what kind of a guy this was he would be interviewing with first. The company, Ransco Industries, built climatics equipment which, simply put, simulated climate. Cutting edge again. The equipment was being used on airplanes to test reliability under all kinds of weather conditions, but it was just starting to be used in the automotive industry.

Keith wasn't kidding. The interviewing process was tough, but Phil was up to the task. By the third interview, at barely 27 years old, he was sitting in front of the company president, Mr. Wassen. Wassen didn't waste any time. He threw a fast curve to this lifelong Cubs fan, and Phil's

reflexes didn't fail him. Wassen tossed down Phil's resume and told him that he didn't know why he was there. He said that Phil jumped from job to job, had no background in the business, no graduate degree, and limited experience. He should have never made it to the third interview.

Phil spoke up, not missing a beat. "Let me get this straight. You are really looking for an overqualified 35-year-old who isn't going to apply for this job anyway? Is that right?" He didn't know it right away, but he had passed with flying colors. There were two more interviews to go through but the job was his. Wassen became Phil's first real mentor, teaching him how to listen better and how to accomplish more in a day, both at work and at home.

The new job was very high tech. The company was one that actually helped American auto companies overcome quality issues that kept U.S. cars from competing with Japanese automakers. His territory was the midwest, and Phil soon became a part of the "old boy network." Within twelve months Ransco was building sophisticated climate-testing equipment for Phil's new clients, who were most of the big automotive companies in Detroit. "We became the dominant company in the automotive industry. We were an awesome company. We went from \$5 million to \$24 million in business in three years," said Phil.

After selling these systems for a while, Phil suggested that the company should be system integrators, building from the ground up, including pouring the cement, and so on--not just providing the climate system like all of their competitors did. The company listened to Phil, and started getting the complete jobs. None of their competitors could match them.

"The company was very good to me," Phil recalled. "I made over \$250,000 that first year. The greatest thing, though, was that I went from trying to allocate my products on a small shelf in a grocery store to negotiating with plant engineers and managers of large auto companies. I sold inside as well as outside. It was like going to medical school. I was learning, growing, testing and being tested, all in a very

short span of time.”

Business was going so well that Phil suggested going worldwide--to Japan, England, Sweden, Korea, Australia, France, and Germany. “Being a history major in college,” he says, “I was fascinated. I was learning the ins and outs of different cultures. It was an education you can’t pay for.” He stayed with Ransco from 1983 through 1988, when they started grooming the company for sale.

He started his own consulting firm, helping startups get funding and teaching them how to get into different markets. “I don’t know where I got this great idea, but when I took on a new client I told them that I was like a bus not a cab. Pay me when you get on, not when you get off.” It worked. One would introduce him to another and so on.

One of his prospects was OMI, Odor Management Inc. They hired him for three months. “They had all kinds of problems,” he remembers. “They wanted me to investigate their company and help them decide whether to dump it, sell it, or grow it. I looked at all of it and I told these guys, ‘This is a goldmine. It’s a phenomenal product with myriad opportunities.’ It had a couple of big problems, though: good investors who were lousy managers, and a terrible distribution system.”

Phil was looking for his own business at the time, so he told OMI that in three years he could turn the whole company around. They took the deal. “I wanted a product that could be sold in multiple markets where no one market could hurt me if it wasn’t doing well,” Phil says. “This was the product. It had high margins, low overhead, and minimal people working for it.”

OMI’s industrial division was built worldwide, using the company’s technology, Ecosorb, to absorb and break down odors that were byproducts of industrial companies. Phil says he knew that the stink from foundries would not be accepted for much longer as the culture in society was changing.

Also, he discovered that OMI’s distributors, who owned shares in the company, were stealing from the investors. “I got the proof, and the two investors went from 51% owners to 100% owners. I told them they could give those shares to me and I would continue to grow the company. They did. I brought people in that I had been successful with in the past. I knew them and they knew me. In three years we were selling our product in 31 countries, they got all their money back, and I was having the time of my life all over the world,” beamed Phil.

Now the company was profitable and everything was rosy. But Phil was bored. “I had built the distribution system and our presence in the market. We bought a couple of companies with our profits, but that didn’t work out well. I wanted to invest in things I could run so I suggested we move into the consumer business.

They were older and didn’t want to do it. I offered to buy them out. I owned 49%--they owned 51%.”

It took three hard years of negotiation, but in May 2003 the buyout occurred. Phil wasted no time. In July he launched the consumer business and he was like a kid again. He went to all of his staff and offered them a piece of the company. He told them they would get no raises nor would they see any profits for at least three years. All the key members agreed to purchase shares. His bank, J.P. Morgan Chase, worked with him and gave him advice.

All profits from the industrial division were poured into the new consumer division, which utilized every skill Phil Coffey had ever learned, and then some. He went after the high-end specialty stores, not Walmart and K-mart. He convinced these high-end customers that they could sell his product, which neutralizes odors and is used in gym bags, dorm and hotel rooms, cars, cat boxes, cigar stores--anywhere unpleasant odors are found. The product was presented to the public in unique ways using candles, gels, sprays and more. He gave samples to all prospective customers. “If you don’t believe us, try the product,” he told them. The first year, product was placed in 140 outlets. By July 2005 it was in over 3,000 stores in 50 states. And the best thing was the reorder rate, with 97.6% of his customers reordering.

“Everything I do is in four color,” laughed Phil. He has a client book that tracks what each customer buys and how it sells. He marks the book in these four colors to arm him with pertinent information that will help him when he talks to clients. Many times he knows more about how product is moving in their stores than they do. And he still talks to most of them. During this interview he checked every phone call and was ready to talk to his customers whenever he was needed. “I believe the customer respects you more in the specialty business and wants your input. The customer wants you to help him sell your product in his stores, so let your customers become your evangelists,” he exclaims.

Phil’s family includes his wife Lori, daughter Elizabeth, and sons John and Tim. Elizabeth goes to Notre Dame and is working as an intern for Lou Dobbs of CNN. John played football for Mt. Carmel and goes to Valparaiso College. Tim is a sophomore at Mt. Carmel and plays on the football team.

His wife Lori was the only one in the family working the day they were married, and she married him anyway. She obviously understood his entrepreneurial side! The day she had the first baby, Elizabeth, she told Phil she would never go back to work. She’s been home with the kids ever since. Phil believes they are all good solid kids. He did say he was lucky.

Jamie O’Reilly Trio at World Folk June 10

Jamie O’Reilly, one of the city’s premier song stylists, returns to World Folk Music Company (WFMC), 1808 W. 103rd St., Chicago, on Saturday, June 10 with the Jamie O’Reilly Trio. The Jamie O’Reilly Trio replaces The Book of Liz, which had been slated as the last presentation in WFMC’s 2005-06 concert series but was cancelled due to cast members’ scheduling conflicts.

Jamie, known for her distinctive vocal style, is a first-rate ballad singer and entertainer with a broad vocal range and vibrant connection to both her repertoire and audience. The Jamie O’Reilly Trio, a relatively new collaboration for Jamie and long-time musical partner, the celebrated singer/songwriter Michael Smith, is in demand throughout the Chicago area and receiving standing ovations and superlatives from presenters and fans alike. Cellist



photo by Iwona Biedermann

Bob Weber (Elgin Symphony), who spent a career playing chamber music, lends depth and richness to the trio’s sound, as they merge musical styles and present a lively, captivating show. Tickets are \$20 and are available by stopping in at WFMC or calling (773) 779-7059.

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