## ABBEY COLOR, INCORPORATED

Abbey Color, Incorporated, one of the world's premier dye manufacturers, is a global supplier to some of the world's largest corporations and major industries. The firm's industrial dyes, dye precursors and colorants have a wide range of applications, from pharmaceutical healing practices to industrial/commercial and military use.



\*

Above: Abbey Color's main manufacturing facility in Philadelphia, built c. 1900.

Below: Logwood trees prior to conversion into Liquid Logwood at the AbbyMex manufacturing operation in Mexico. Abbey Color, known originally as Abbey Color & Chemical Co., was founded in 1968 by William H. Schoellhorn and Andrew J. Dahlke. The men were both veterans of the dyestuff business: Schoellhorn as a sales executive with Tenneco and other firms, and Dahlke with J. S. Young Co. of Baltimore.



In the mid-1960s, the major dyestuff manufacturers made a strategic decision to ship only truckload quantities of products to their customers. This meant that shipments of less than truckload quantities would be done through a distributor network. Recognizing a business opportunity, Schoellhorn left his job and became a distributor of drum-size shipments. Working from his kitchen table, Schoellhorn developed enough business to justify moving to a facility on Margaret Street in Philadelphia.

The move to Margaret Street provided space for the company to repackage dyes into less than drum-size quantities. The facility also provided room for Abbey Color to start manufacturing dyes rather than just re-selling dyes made by other companies.

Today, Abbey Color is a manufacturer of dyestuffs, epoxy resin repair kits, small packaging components and leak detection units. Abbey Color is a niche manufacturer in the majority of its markets. However, in the manufacture and sales of Fluorescein, Uranine, Hematoxylin and Hematine, the company holds a significant market share.

As an interesting historical fact, while on Margaret Street the burglary of a drum of dye helped change the direction of the company. The dye, Uranine, is a non-hazardous fluorescing dye used for water tracing. When some of the stolen dye leaked, it caused the nearby stream to turn bright green. Although the resulting attention from authorities was not pleasant, it did prompt the founders to realize the potential market for a product that would establish the background of their manufacturing operations. This, in turn, led to a search for a more appropriately suited manufacturing site.

In 1978 that search culminated in the purchase of a four-story building at 400 East Tioga Street, a structure built by Baxter, Kelly & Faust around the turn of the twentieth century. This move allowed Abbey Color to expand its manufacturing capabilities, including the production of the water-tracing dye Uranine. In a more recent move to allow for future expansion, the company purchased an additional 33,000 square feet of production space adjacent to the Tioga Street property.

IN THE CRADLE OF INDUSTRY AND LIBERTY

Another step in product advancement came about through Dahlke's experience with the extraction of dye from wood, accomplished by chipping trees and extracting the dye content called Logwood Extract. This led Abbey to assist in the construction of a dye extraction plant in Mexico in 1980. In later years this extraction plant was added to the group of Abbey companies.

In 1991 the assets of Abbey Color & Chemical Co., Inc. were purchased by Robert S. Pettus and Roger S. Nielsen. With this purchase, the name was changed to Abbey Color Incorporated. The Nielsen family also owns and is involved in the operations of Abbey Green, Inc., a construction and demolition waste recycler in Winston-Salem, North Carolina, and AbbyMex, the aforementioned dye stuff manufacturer located in Mexico.

The history behind AbbyMex began with the need to secure the long-term supply of the extract for the production of Hematoxylin and Hematine. To do so, the new owners began to pursue a deeper business relationship with this supplier. A key step in the process was to establish a cross-cultural communication based relationship, taking the norms and values of the Mexican business culture into account. Once this was accomplished, the bond between Nielsen and the owner of the Mexican plant continued to strengthen. Over the past two decades the relationship between the two companies has become formalized, creating AbbyMex, and ensuring the longevity of the product for the marketplace.

Over time, the dye stuff market changed as major dye users began to move outside the United States, and Abbey Color managers knew they needed to differentiate their products from the influx of dye-stuff products coming into the U.S. from off-shore producers. This was done by establishing industry standards for all of Abbey Color's dyes, based on scientific measurements and quality manufacturing processes that produced a consistent product for each lot. This differentiation lasted only a short period of time, however, as other dye stuff providers followed suit.

In 1998, Abbey Color purchased the assets of two companies in West Chester, Pennsylvania. West Chester Chemical was a



producer of leak detection fluids and epoxy resin repair kits for the gas distribution markets. Bonded Products was the firm's manufacturing and marketing arm to the U.S. defense industry. These businesses were merged into Abbey Products, a DBA of Abbey Color.

Abbey Color Incorporated has 27 employees in Philadelphia, 25 in North Carolina and 15 in Mexico. The company's stated purpose is to provide jobs for those needing a second chance. Thus, Abbey Color provides competitive wages and benefits, a safe working environment and the promise that no employee will be laid off. Employees may, of course, be fired for legitimate reasons, but the owners feel that a layoff is the failure of leadership in managing the company properly. Abbey Color is committed to ensuring that employees will not suffer because of leadership incompetence. Ten percent of the company's annual profit is returned to the employees in the form of an annual bonus.

An additional ten percent of the company's annual profit is earmarked for charity and the contributions are administered with input from employees. Needs are reviewed each year, and local projects are updated. Among the projects supported by Abbey Color are local church mission trips, youth organizations designated for after-school programs and individual relief organizations serving the immediate Philadelphia community.

\*

Peter Hughes (VP/GM) conducts a quarterly process review with employees.



\*

Above: Part of the second Nielsen generation at Abbey, Brian and Sarah discuss improvements to the current inventory system.

Right: Abbey Color's Fluorescein in its final stages of production.

Below: Brian Nielsen leads a meeting with the quality control department.

Pettus and Nielsen grew the company four-fold from 1991 to 2003. In late 2002, Pettus was diagnosed with inoperable cancer and sold his shares of the business to Nielsen. This began the evolution of Abbey Color into a family business operated jointly by family and professional advisors.

Abbey Color has enjoyed a 1.7-fold increase in revenue during the past ten years and annual revenue now totals \$8-10 million from the Philadelphia location, generated from more than one thousand customers.

Abbey Color's ten-year plan calls for transitioning ownership and operating responsibility of all the companies to the

second generation of the Nielsen family. The first generation is represented by Joyce and Roger Nielsen. Second generation family members involved in the business are Brian James Nielsen, Kristen Lee Nielsen Donnelly, and Sarah Elizabeth Nielsen.

The plan is for each generation to provide the opportunity for spouses to work in the business, if they desire. However, the company will be strategically directed by the family through the leadership of the family council. Outside professionals will be encouraged to provide leadership in the businesses through direct employment and as advisors to the family council.



Building on the company's mission statement—Impact Lives...Create Wealth—additional investment is currently underway in the Philadelphia and Mexico operations. These investments will allow for additional growth in the facility and additional employment in Philadelphia.

