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Greenhouse maker sees a clear path for growth

Today it's tops in U.S., tomorrow the world?

By Anna Guido
Enquirer contributor

ST. BERNARD - Richard Reilly wants his greenhouse manufacturing firm to be tops in the world. And at the rate it's growing, Rough Brothers Inc. may reach that goal sooner than expected.

"Rough Brothers is by far the No. 1 company serving the industry nationwide by total revenue, by number of structures built and by the number of innovative structures they put up," said Gene McCormick, a Wayne, Ill., consultant and former owner and editor of Greenhouse Business Magazine, a trade publication.

His father, Al, and a former partner bought the greenhouse-manufacturing company from its original owners, the Rough brothers, in 1977. It had 45 employees then.

Rough Brothers started as a maintenance and repair facility for early wood greenhouses. Now it is known for its innovative designs, manufacturing and construction of greenhouses, and conservatory restoration.

The nationally recognized Krohn Conservatory in Eden Park is a client of the firm.

"They're a local gem," said Ruthann Spears, general manager of the conservatory.

"They are so busy and considered one of the best in the country to rehab old conservatories. We had to schedule them almost a year out to get them to work on ours," she said.

Over the years, Rough Brothers has replaced almost every pane of glass at the 25,000-square-foot conservatory, which was built in 1933. Krohn is one of the few conservatories in the United States built in the Art Deco architectural style, according to Spears.

"Their work is excellent, and they're wonderful to work with," Spears said.

"They're different than other contractors in that they actually show up when they say they are going to, and they're very good in the planning and design process."

Company, public customers



ZOOM The Enquirer/Steven M. Herppich
Dene Sewell is one of the 140 employees at Rough Brothers. He's moving pre-galvanized steel tubing used for construction by the company, which builds and repairs greenhouses at sites ranging from universities to mass retailers.

ABOUT ROUGH BROTHERS INC.

Founded: In 1932 by three brothers named Rough.

Address: 5133 Vine St., St. Bernard.

Geographic market: Mostly the United States, but increasingly abroad.

Interesting fact: 30 years ago, growing roses comprised about 80 percent of the U.S. greenhouse industry. Now roses are grown mostly in Latin America, due to its good climate and low production costs.

About Rough Brothers' equipment: A \$1 million laser tube cutter, bought a year ago, does in one step with one employee what used to take 10 steps and involve eight or nine employees.

Information: www.roughbros.com.

Planning and design is one aspect of the business that has helped Rough Brothers grow.

"They are compartmentalized into separate divisions, which helps from a design sense," McCormick said. "The requirements for a commercial greenhouse grower (who puts up structures to grow plants all year) are substantially different than an institutional grower."

McCormick said Rough Brothers doesn't make a "cookie-cutter-type structure." Rather, he said, "they design for the needs at hand."

The closest they come to mass building are the commercial greenhouses they build for retail outlets.

Rough Brothers' greenhouse divisions are:

Commercial - clients who sell their plants to retail outlets;

Institutional - education and research clients including universities, public parks and pharmaceutical companies;

Conservatory and specialty structures - clients ranging from historic public facilities to those at private residences;

Mass retailers - clients such as Home Depot and Wal-Mart.

Greenhouses for commercial and retail use make up about two thirds of the business, and other structures comprise the remaining third.

Rough Brothers does about 500 projects a year ranging in cost from \$50,000 to \$3 million and in size from 5,000 square feet to 500,000 square feet.

One of the company's biggest jobs was the United States Botanic Garden Conservatory in Washington, D.C. It was the biggest project in dollars - \$8 million; in duration - five years to complete; and in number of employees involved - up to 30 at one time.

McCormick says it is "the most impressive greenhouse in the United States."

Bidding in China

Rough Brothers has grown as its industry nationwide has been relatively flat for several years, according to Greenhouse Business, which is based in Palatine, Ill.

The market is overbuilt; the high cost of raw materials is keeping building prices higher; and greenhouse operators are more mechanized, enabling more plant growth in less space over a quicker period of time.

But Mike Ward, senior project manager for Rough Brothers, said there's new opportunity with public conservatories.

"It's picking back up," Ward said. "The view has shifted to where public conservatories are again important elements to have in a community."

One example: A 100,000-square-foot botanical garden is being built in Guangzhou, China. Rough Brothers was one of four companies asked to bid on design for the conservatory, pegged as the largest in the world.

Rough Brothers didn't win the contract, Ward said, but was honored to be considered.

Ward said the use of greenhouses for research purposes also is growing, particularly in the pharmaceutical and agricultural industries, which are concerned about producing more natural products.

Doing their own work

With an eye on the future and a global market, Rough Brothers has expanded its dominance by doing more of its own design and engineering and more in-house manufacturing of parts, as opposed to buying the parts. For example, the company has invested \$600,000 in sheet metal equipment over the past four years so that it can make parts on site that it used to outsource.

Reilly said this gives Rough Brothers more control with product quality, pricing and the production schedule.

Reilly said those changes have helped the company to remain competitive.

"The bar has been raised on what level of performance allows you to be successful. Ten or 15 years ago, it was enough to be competitive in the Midwest," he said. "Anymore, we compete with world companies."

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