



PHOTO BY MARGARET A. ONTL
Kathy and Ken Konrad stand by one of their recent acquisitions, a gear fabricating machine. The sizable investment, over a million dollars, was done to ensure the company's reputation for reliability remained intact.



PHOTO BY MARGARET A. ONTL
A nest of tools used in an automated steel fabricating machine.



PHOTO BY MARGARET A. ONTL
One of the gears manufactured by Konrad, before it is finished and hardened.

Ken and Kathy Konrad:

INDUSTRY LEADERS

A drive to excel by its owners leads Konrad Companies on a path to success

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Ken and Kathy Konrad were not looking for spouses when they both started to attend a general support group at Guardian of Angels Church in Oakdale. "It was for whatever you were going through in your lives," said Kathy. Both she and Ken had been divorced. "Other members had a lot harder issues to deal with."

"I knew the pastor really well and he said you know we have this support group," said Ken. "After a while he asked if I had met anyone and I told him there was a cute woman sitting across the room during the meetings. He wanted to know if I had asked her out yet."

Ken got up enough nerve to ask the cute woman out. After several rebuffs, Kathy agreed to go out with him. The first date was to take their four children — each had two — rolling skating. The rest, as they say, is history. The couple discovered that they had some important

basic values in common. "The basis of our relationship was the value for our family and value for our faith," said Kathy. "It was a good basis to start from. I knew his faith was important to him because before I met him I knew he was a lector at church."

Those values combined to serve the couple well. They were married in 1981. Initially, Kathy stayed at home with the children who were ages 4, 5, 6 and 7. Once the youngest was in school she started to gradually become involved with the business.

Out of high school Ken had graduated from Dunwoody as a machinist. It was off to the U.S. Navy which took him to Vietnam in 1966-67, where he worked on Swift boats and patrol boats. After his return in 1967, he worked in his father's Lakeland machine shop. Soon he discovered he wanted to know more and returned to school using the G.I. bill to earn his mechanical engineering degree. Once out of school, while he was working fulltime for another company, he used to take his vacations to call on steel mills, lining up

business for his own company. Using a model that saved the mills money, Ken developed methods to rebuild and restore parts of the rolling mills, where the molten steel is rolled and shaped as it cools.

Before long he had enough customers to quit his fulltime job and move his business from Lakeland to St. Paul where he bought a building close to the Pain Reliever, an infamous strip club.

"We used to try to give the truckers complex directions," said Kathy. "We soon discovered all we needed to say was that we were two doors down from the Pain Reliever. It was apparently a national landmark."

As the company grew, Kathy became more involved. "I would get the tribe off to school and then go to work," said Kathy. "It was gradual."

Konrad Corporation had outgrown the St. Paul location. The family lived in Afton so Hudson was a natural move. In 1987 they moved to their current location at 1421 Hanley Road. Kathy was pregnant the day they

moved into the Hudson building. Eventually, she brought both of their children to work with her using a baby gate to confine them to her office

"Once we moved into the building the business boomed for a couple of years but I sensed the steel mill industry was going to be tough," said Ken, who started to look around for an alternative. "A inside salesman suggested we follow the same path that built up our steel mill business. As a result we began building replacement parts for Mercury, at the time the largest marine motor manufacturer in the United States."

While at a boat show, they were approached about making a diesel stern drive.

"We said, 'sure we can do that,'" said Ken. "It took three or four years to

design it and after selling it for a year or two we stopped making replacement parts for Mercury." It is that can-do attitude that has led the company to

usage," said Ken. "An average recreational boat may be used 40 hours a year. A commercial boat will be used more than 40 hours a week."

The stern drives produced by Konrad Marine can go 2,500 to 3,000 hours without service.

"Some of the drives the U.S. Navy has, have gone more than 10,000 hours," said Ken.

The drives are used in patrol boats, water taxis, commercial fishing vessels and survey boats.

"Obviously what has been good for our business is the war on terrorism," said Ken. "I hate to say it but it's true."

After the incident with the U.S.S. Cole, the U.S. Navy changed their protocol. As soon as a ship nears shore it is protected by liberty and patrol boats.

"The Navy bought every stern drive we could pro-



SUBMITTED PHOTO
One of the stern drives produced by Konrad Marine.

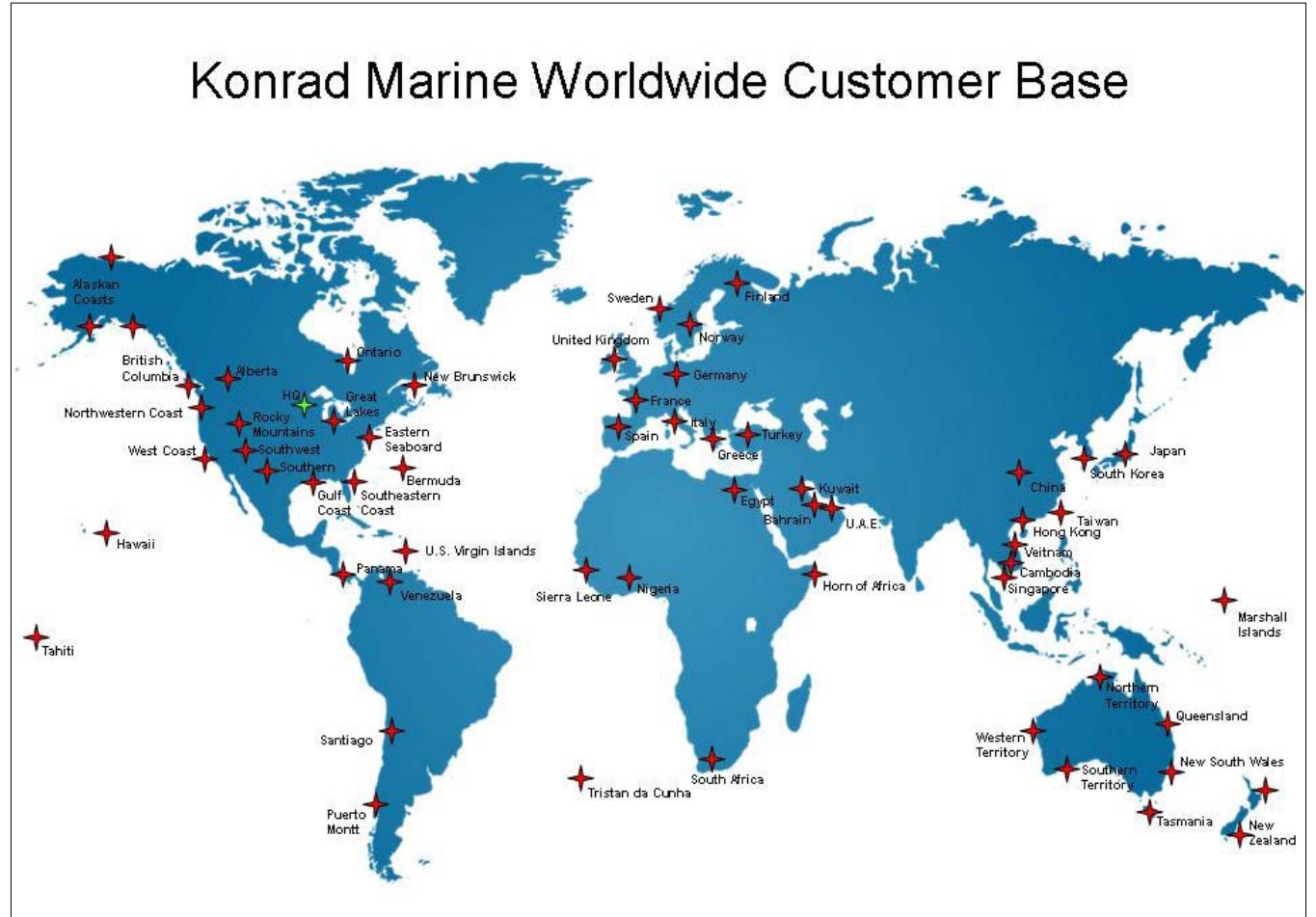
success, over the ups and downs in the economy.

"We found our own little niche in the market," said Kathy.

"Our products are used in commercial applications where it gets high hour



PHOTO BY MARGARET A. ONTL
Ken Konrad stands by a rolling mill stand, one of the pieces of equipment they repair and restore for the steel mill industry.



Over 60 percent of Konrad Marine's business is international, coming from six continents and 34 countries. Stars represent where their customers are located.



PHOTO BY MARGARET A. ONTL

Kathy and Ken Konrad stand on the production floor of Konrad Companies. The left side is dedicated to Konrad Corporation, Industrial Equipment Manufacturer. To the right is Konrad Marine, which designs and manufactures high output propulsion systems. The couple have worked together for nearly 30 years.

duce,” said Ken. “They said it was because it was the only one that kept going, the others broke down. It is a life and death situation in many cases.” He cited several examples where it is imperative that the drives not fail, from boarding a hostile vessel, to offering steady power in six foot seas.

That reputation for reliability has resulted in international customers from 34 different countries on six of the seven continents. Sixty percent of their sales are international. The Hong Kong Police have Konrad Marine stern drives on five of their boats, which are largely used to control smugglers.

“We actually went over to Hong Kong and replaced

their drives with ours,” said Ken. “They are required to be able to cruise at 40 mph and be able to intercept boats at 70 mph in six-foot seas. Ironically they are not equipped with guns. The chief of police told Ken it was an unwritten rule between his department and the smugglers — no guns.

They have a large order ready to ship to Indonesia and are coming out with a new drive at the boat shows next month.

“All of the manufacturing is done here in Hudson,” said Ken. “99.9 percent of the drive is made in the United States.”

“The business is his life,” said Kathy. “He talks about that gear like a woman would talk about a per-

fume.” Ken has a passion for design and as he and Kathy have moved into semi-retirement, he is concentrating on research and development with as much enthusiasm as when he first started.

“Owning and managing a company is not easy,” said Kathy. “But we must be doing something right.” Over the years they have chosen to make big investments to assure the quality remains unquestioned. That includes a Phoenix II gear machine, valued at over a million dollars and a Coordinate Measuring Machine (CMM), which is used for quality control. The CMM features a slab of Cold Spring granite a foot thick with a ceramic quill made by Coors. Tim Johnson the quality control manager can use the CMM to check to make sure the parts they are producing are within the strict tolerances of the design.

Konrad Companies is the umbrella for Konrad Corporation, managed by Kurt Krueger and Konrad Marine, managed by Randy Sofie. They have 45 employees many of whom have worked for the company for over 20 years.

“I’m like the mom and Ken is like the dad,” said Kathy about the business. The couple’s two children are Dan, who works for Konrad and is a mechanical engineer and Jenny who is in the U.S. Air Force, stationed at Luke Air Force Base in Arizona.

Ken never lost his affection for Vietnam and has returned many times. He and Kathy built a nursery school there as part of the D.O.V.E. Fund. Together they have traveled there many times including a trip back to where he was stationed.



SUBMITTED PHOTO

Kathy, Ken and their daughter Jenny traveled to Vietnam for the opening of a nursery school they built through the D.O.V.E. Fund.



SUBMITTED PHOTO

As a young sailor, Ken Konrad, right, developed an affection for the Vietnamese people and their children.



SUBMITTED PHOTO

This shows the Konrad stern drives installed on a patrol boat used in the Puerto Rico.



Tim Johnson, who has worked for the Konrads for 24 years is the quality control manager. He is demonstrating the Coordinate Measuring Machine which uses a ceramic quill to measure pieces before and during production to make sure they match the specifications and tolerances.



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This is the exterior of the school to which Ken and Kathy Konrad were the major donors. It is in the Cao Xa Hamlet. It was built in 2006.



SUBMITTED PHOTO

The Hong Kong Police have Konrad Marine stern drives on five of their boats.

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