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TURN OF THE CENTURY

How this local family-owned business endured 100 years

BY NAOMI KLINGE
nklinge@
bizjournals.com

One Houston equipment services company is celebrating 100 years of business, surviving the oil and gas crisis of the 1980s, the 2008 recession and the Covid-19 pandemic while continuing to strengthen its family leadership. ¶ Running a business has changed significantly in the past 100 years, but for the Pearce family, the main goal for Waukesha-Pearce Industries is the same. To them, a “family-owned” business has never been just about blood. The family extends to its employees, their families, and the customers they represent. ¶

Waukesha-Pearce Industries LLC was founded in 1924 by Louis Pearce Sr., the first of four Louis Pearces who would hold leadership roles at the company, which started as a drilling rig manufacturing company. Over time, the family business has become a leading equipment distributor, providing heavy machinery and energy services and partnering with brands like Waukesha, Komatsu and Caterpillar.

The company deals largely with the construction industry in Harris County, which the company’s leaders said is one of the largest counties in the country for the sector, and the oil and gas industry, with 43 locations around North America.

“There’s probably not another city in the world that has the arteries to the oil and gas space as Houston has,” CEO Louis Pearce III told the Houston Business Journal.

Eventually Louis Pearce Jr., a pil-

lar of the Houston community, took over the role of president at Waukesha-Pearce Industries from 1946 until 1976. Pearce was chairman of the board of the Houston Rodeo from 1969 to 1971 and was elected to the Rodeo’s executive committee in 1975, where he remained until his death in 2012.

Louis Pearce III has served as president for almost 50 years and assumed the role of Waukesha-Pearce Industries’ first CEO this year to celebrate the company’s centennial milestone. His son, Louis Pearce IV, is now the president of the company’s engine division.

All of the Pearce kids were raised inside the business, starting work in the company’s warehouse during their teen years and working their way up from there. While Louis Pearce III spent his whole life at the company, he encouraged his son to gain experience outside of the family business.

BEST FAMILY-OWNED BUSINESSES

Read about 58 other family-owned businesses in our special awards section inserted into this edition.



WAUKESHA PEARCE INDUSTRIES LLC



Left: Family-owned Houston company Waukesha-Pearce Industries, which has survived for over 100 years, is shown in the 1950s.

Inset: Louis Pearce IV (left) and Louis Pearce III (right) are the president of the engine division and the CEO of Waukesha-Pearce Industries.

Louis Pearce IV earned his bachelor's degree at the University of Texas at Austin and went on to get his Master of Business Administration, both something his father never did, before working at investment firm Oppenheimer & Co. Inc. in Georgia for a couple of years and returning to Waukesha-Pearce Industries in 2002.

"He did bring back a view of the world from a different angle, different industry, different types of people. That has served him well," Louis Pearce III said.

Family values in the workforce

Louis Pearce IV said the family of Waukesha-Pearce Industries goes far beyond its leaders and deep into its employees. Many of the company's employees span generations within a single family.

"We've been around and exposed to a lot of generations of people. It's fun to see when you have people who worked here many years ago, that now their grandkids work here. And seeing those last names still walking the hallways of Waukesha-Pearce Industries is pretty cool," Louis Pearce IV said.

"I've met so many special people who I consider friends first before work colleagues."

To attract talent, Waukesha-Pearce Industries is leaning into its family culture, as well as offering opportunities for career advancement and making company decisions based on the long-term future and not short-term financials.

Starting eight years ago, company offers in-depth training through what it calls Pearce University, which includes some mandatory training courses and online electives to learn skills like Microsoft Excel, defensive driving, and leadership.

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Lloyd French IV, a cousin of Louis Pearce IV who serves as president of the construction mining division, added that the company has a credit union for current and past employees and their families to use.

Louis Pearce IV said opportunities like this are vital to foster loyalty and keep employees from feeling stuck in their career. Many Waukesha-Pearce Industries employees have been around for 30 to 40 years or more.

“They are the foundation of what we do every day. Without them, we would have nothing,” Louis Pearce IV said.

Louis Pearce III added that although he always understood his responsibility being a Pearce child who eventually took over the business, the successes built by the generations and families before him made the company what it is today.

“A team was built here way before I knew what the hell was going on out here. I didn’t build that team, others built that team, and I inherited a lot of it,” Louis Pearce III said.

“I had the help, support and caring of a lot of people, and without that, I don’t know where I’d be right now.”

What has the company overcome?

After 100 years and several economic pitfalls, the company has doubled its revenue since the Covid-19 pandemic.

But the company wasn’t always so successful. Waukesha-Pearce Industries was hard hit by the recession in the 1980s. Louis Pearce III recalls that the company’s employee count dropped from about 1,540 to 393 in 10 months, which took a decade to bounce back from. Now, the company has about 1,129 employees. The oil and gas industry was also devastated by the recession, dropping from about 4,515 active rigs in the Lower 48 to just 700 rigs in 18 months, Louis Pearce III said. But since then, the industry has learned from its mistakes.

“[Since then,] the oil and gas industry worked a lot smarter. They didn’t over-invest to the extent that they had done in the 1970s,” Louis Pearce III said. “The oil businesses are many, many times smarter today from a business management standpoint.”

When the country hit the great recession in the 2000s, it reached



WAUKESHA PEARCE INDUSTRIES LLC

new lows. After a brief stint at Houston-based Drill-Quip Inc. after it acquired TIW Corp. from Waukesha-Pearce Industries’ business, French rejoined the family business in 2008 just before the downturn. He said the company’s new unit sales fell to about \$3 million a month.

He said today that would sink the company. Anything below \$20 million he considers a bad month.

Finally, when the Covid-19 pandemic hit, the company went above and beyond the recommendations of the Centers for Disease Control and Prevention, Louis Pearce IV said. But the oil industry was hit hard again, with prices dropping below -\$30 per barrel, and the supply chain across industries was significantly backlogged.

“With our supply chain groups in place, they did a great job of making some forward thinking buying decisions, really buying above and beyond what we needed, which afforded us an 18-month cushion of product and allowed us to service our custom-

ers during those tough times,” Louis Pearce IV said.

How have things changed overtime?

While Waukesha-Pearce Industries has been focused on serving customers for over 100 years, Louis Pearce IV said over the last several years the company has taken a hard look internally at how it wants to move forward. Although it will keep its core values in place, it also plans to modernize the business, and the marketing if the business.

“With a fourth generation moving into leadership roles, we want to be aggressive with what we do and try to expand on the footprint that the previous generations have already built,” Louis Pearce IV said.

In December 2022, Waukesha-Pearce Industries bought the Komatsu earthmoving distribution business from H&E Equipment Services, expanding its distribution to Louisiana and parts of Arkansas.

Then, in September 2023, the com-

Louis Pearce Sr. founded Waukesha-Pearce Industries in 1924.

pany purchased Memorial Machine, a Tulsa, Oklahoma-based, family-owned company specializing in remanufacturing engine components.

Meanwhile, major parts of the energy industry have had to change to adapt to concerns over climate change. Louis Pearce III said the company is completely on board to engaging in environmental concerns, considering it as important as safety, similarly to many oil and gas CEOs.

However, some things aren’t all that different. The Pearce family’s commitment to strengthening its relationship with its customers has always – and will always – take top priority.

“We’ve got to continue doing a lot of the things that made us successful, we can’t start deviating away from those things. Right at the top of that list is employee growth and customer support,” Louis Pearce III said. ▮