

GUEST: KENT UNTERMANN

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Aloha! And mahalo for joining me for another Long Story Short. I'm Leslie Wilcox. Today we get to hear stories from an entrepreneur with an inspiring story of success. Kent Untermann's career has included playing football at UH, training at the Dallas Cowboys' rookie camp – and turning a swap meet business into an operation that generates \$15 million dollars a year. We're going to sit down with Kent to hear how he said goodbye to his NFL dreams and applied himself to success in another field – the picture framing business – starting the Hawaii company Pictures Plus.

That preseason injury that took you out of the NFL, off the Dallas Cowboys team; what was it?

Well there was actually a pulled hamstring. I pulled my hamstring really badly on a workout when I was first with the Dallas Cowboys. There was a lot of misconceptions. I never actually played in the NFL; I had tried out with the Cowboys. So I want to make sure that I'm clean on that.

So you were trying out -- you were at a rookie camp?

Yes; I was at a rookie camp. It was in the spring of 1985. And they were trying to rehabilitate and get it better, and by the time the season came around it still wasn't ready, and Tom Landry, who was the coach at the time had said I could come back the following year, which I intended to. But then the injury just didn't cooperate.

And how hard was it to leave your NFL dreams behind on the floor?

It was very challenging. I had to do a lot of soul-searching. But I really decided, and I could have pursued it, because it wasn't as though it was really a career ending injury. However, I just decided that it was time to move on. And it was a tough decision, but it was the right decision.

Move on to what?

Well, move on to re-channeling my energies. I put a lot of effort and energy into football and I realized that I wasn't gonna retire from football. Meaning that I was gonna do something after I played football anyway. So the sooner I decided to move on, the sooner I could start that next career, whatever that was gonna be.

So you'd already developed the discipline. Now you just needed a place to put that discipline.

That's a really good way to say it. Yeah; a lot of disciplines were developed from my athletic career.

Is it true what I heard – that you went from trying out for the NFL to trading at a swap meet?

Yeah; there was a lot of people that thought I was really crazy, saying, 'Kent, you can still play at the NFL and all's you have to do is go back and try again.' And perhaps I could have made a team. But once again, I had decided that I wanted to move on. I was very entrepreneurial and didn't mind starting literally at the bottom. So that's a true story.

You probably knew of other football players who didn't give it up, and kept trying. Did you ever regret, 'Ah, I should have given it one more shot'?

No; because I decided when I, at the time that I made the decision, I was gonna have no regrets. And so if there was a little piece of me that still wanted to pursue that then I was gonna pursue it. And so I decided at that time, if I was gonna let go, I had to let go completely. And I didn't want to be exactly what you described. I saw so many ex-football players—and there's a lot of 'em. And football is kinda like acting; it's a game of chance. And there's a lot of good actors and good football players that never got a chance to play at that level. And so I made a conscious decision at that time, I never wanted to be one of those ex-football players that said they coulda done it.

So you came back to Hawaii where you'd gone to the UH Manoa; and how is it that you find yourself at a swap meet at that point?

Well, fortunately my wife Laurie was going through the nursing school, and we had made a commitment to each other—we weren't married at the time, but we kinda knew that we wanted to spend the rest of our lives together. She was in the nursing school and had about another year and a half. So I had to kinda preoccupy myself with something, and had an opportunity to work for Ford Motor Company on a temporary basis. They had a bunch of extra goods left over, told me I could have 'em, and I went and sold them at the swap meet. So that's kinda how it all began.

And what was beginning?

Well, little would I know, it was the beginning of kind of an entrepreneurial career, which was the start of Pictures Plus.

And how did you get onto the framed pictures?

Well, I was buying and selling a bunch of different things at auctions and trading things. And I was a marketing major and I'd just find out how to market something and then I'd be out of it. And so I wanted to find something that was, that I could sell on an ongoing basis. And there was an opportunity at the time to sell these framed pictures. And so I decided to bring those in, since it looked like something that would do well at the swap meet.

And they did, obviously.

Fortunately they did; yes.

So from there you to a large, very successful business. What are your gross revenues?

Currently, they're just over fifteen million dollars today.

And that's back going back to what, 1986 starting at the swap meet?

Yeah, started in 1986. I actually used my small signing bonus, five thousand dollars at the time with the Dallas Cowboys, to start buying and selling things there.

And how easy was it to go from there? I mean, it's a huge jump from the swap meet to this very large, multi-platform business.

Well, there was a number of steps along the way to get there. We obviously, fortunately at the time, the swap meet really allowed us to be successful to take those other stepping stones. But it's been, whatever it is, a twenty-year process. So it didn't happen overnight.

Did you have a model you were building on or a mentor advising you on this?

No, it's really evolved. I think I'm very opportunistic, and so I recognized that there was an opportunity in a marketplace that I thought that custom framing and framed art was overpriced. And so I thought if we could buy well and bring it to market and convert it at a more affordable price that we would be able to scale and make a larger business out of it.

And what, among the services you provide and the products you offer, what's your best source of business?

Well, our largest sales volume is custom framing, where a customer brings in something and we frame it to their specifications. It is our highest profit margin, but it's also our highest cost of doing business. It's extremely labor-intensive. We'll spend thirty to forty minutes with a customer designing what they want, with no guarantees that they'll agree to it. And then we have to make that exactly to their specifications. So it takes a lot of labor, and we try to give great value in our business. But it's very challenging to keep that kinda price-service quotient in line.

And you know the rap Hawaii has as a bad place to do business. What have you found along the way?

You know, I'm a little bit of a contrarian, so I believe if something's really tough, there's opportunity; if something's really good, then there's opportunity. And we have been successful in Hawaii, I think, because some of the barriers to entry have been more difficult for businesses. So if you can be successful, I should say, because it's just as challenging for everybody. But most recently, I've found it more challenging, just because of the low unemployment rate. And our product is very labor-intensive. So it's been tougher lately.

Does that keep you from expanding, you think?

Yes, it does. We're fairly done expanding. I think that we've penetrated the market about as well as we can. We've probably even gone into some markets that maybe we shouldn't have. They're just not large enough markets to support the way that we do business.

Did you imagine when you started at the swap meet that you were gonna be running a fifteen million dollar a year business doing picture frames?

You know, I can't say that I did. At the time, I always like to plan and project ahead, and I thought we'd have a five million dollar a year business. So it's tripled my expectations.

For you though, failure doesn't seem to be an option. Actually, you see failure as a possible opportunity, right?

Yeah, I never look at, I never consider things a failure. I've made hundreds, thousands, I don't know how many bad decisions in business and everything else. But every one of those is an opportunity to learn from something that you didn't. And I've actually grown and gained more experience on a bad decision than I have on a good decision.

But it really, I mean, you can fail a second time too, in terms of what you do with that, quote, opportunity.

Right. You can, although if you do it right, the hope is that you learn from that, so you don't fail again. Even though you could, but I always look at it as an opportunity. So it's, to me, it's not a failure unless you continue to do the same thing over and over again.

I take it the word 'driven' describes you.

I think that's fairly accurate. Yeah; I think I'm relatively driven and have always been fortunate to be that way.

That's one of the things I love about this show. I get inspired by the people I meet and the stories they tell. We'll hear more from Kent Untermann – coming up... on Long Story Short.

So you wear many hats. Obviously, besides being a businessman and an entrepreneur, you're a father, you're a husband. Which of your roles tends to define you most?

Ooh, that's a good question. You know, I'm fortunate I enjoy every one of my roles so much. I think the most challenging thing is to find that balance. But I enjoy I'll say I enjoy being with my family the most. Absolutely, no question about it.

It's interesting. Usually it's women who talk about balance when they're asked about what they enjoy most or what their biggest challenge is. You sound like an active dad.

Yeah, I'm very active. And fortunately, I just love my children, and we just have an incredible relationship. And so it's very easy. I don't look at it as a chore; gosh, I gotta be a dad. I really enjoy being with my wife and kids, and so it comes real natural.

And yet, the business has got to be all-consuming. But you work with your wife in the business.

I do work with my wife. Unfortunately, or fortunately, for the family she retired a couple of years ago. And she kinda ran the whole back end of it, and I run the whole front end of it. Since she's departed, the back end of it, it's been more responsibility on me, which has been better for the family. But I've been encumbered with more challenges since she's been gone.

You know, many years ago, I was at UH Manoa commencement address by the late Herb Cornuelle. And he said that the most important choice you make in life is not your career but your choice of spouse. What do you think?

Wow. Absolutely. I have actually mentored my kids with two things. One was, be the bigger person. And then at about twelve years old, I told my wife now we have to ingrain in our kids the most important decision you make in your life is who you marry. It influences the rest of your life. So I could not agree more. I have an incredibly fabulous wife, I'm proud to say.

And you've been through more than one career.

Yes, I have.

But not more than one wife.

No, no, no. I have a wonderful wife and cannot say enough great things about her. And the benefit of living with someone that you are in love with, and supports you so well, is just beyond words.

So those were your two messages for your kids. Those were your foremost messages.

Yes; until my kids were about twelve years old, we just ingrained into them, be no matter what they did, it was always about being the bigger person. What that meant was, if kids did things to 'em, it's kinda the sticks and stones will break my bones type thing. But um, really trying to mentor them to rise above situations. And so we called it uh, you know, be the bigger person.

And the other was choose your spouse wisely?

Well, who you decide to marry will be the most important decision you make in your lifetime. So in other words, really think about that, and think about it real deeply, and how – don't just end up with somebody. We wanted to start real young, so that perhaps when they were older and they were making a decision, if it wasn't the right decision that we had already hopefully influenced them in the right way at a younger age.

You expect a lot of discipline from yourself. Do you expect that of your children too?

Yes. Nothing more than I would expect of myself, of course. But yeah, there is definitely a level of discipline I would expect of them.

Speaking of discipline; is fitness important to you now?

Yes, it is. I don't – I feel a lot better when I'm taking care of myself. And it's back to the balance thing; sometimes it's hard to justify to work out for an hour because that's an hour less with the family, an hour less in the business. But it's very important to me, and I try to work out four or five times a week, and make sure that that happens for the benefit of everybody, including myself.

I know you do a lot of thinking and you like strategy. I'm surprised you didn't consider becoming a coach.

You know, my wife always brings that up. I don't know why I don't have any desire. Probably because I've been out of football so long, I don't really have a very high opinion of my ability to think as a coach strategically. I'm so far removed from it. I would probably enjoy working with the players and kids mentoring them. That aspect intrigues me. But the strategic and X's and O's part, I'm too far removed from.

So have you been watching the UH football team?

Absolutely. Enjoying every single game.

You played in '81 to '84 under Dick Tomey.

Right.

And June Jones was around too.

June Jones was the quarterback coach. I worked closely with him in my junior year.

And could you tell me your thoughts about how the program has progressed or moved along?

Well, I wish that I was a quarterback or receiver in the current offense. I'll be the first to admit that. Back when I played as a tight end, which they don't have any offense now, we weren't sure if they knew that we were eligible. We thought they thought we were just an extension of the line.

[Chuckle]

And maybe that's why June got rid of the tight end. But no, it's been really enjoyable to watch. I think that June and his staff have done just a tremendous job. And it's really been neat, kind of an entrepreneur and as an ex-UH athlete, not to knock Von Appen, but hear the, for lack of a better word, excuses that we heard back then about, oh, we can't do it 'cause we don't have this and we don't have that. And today, they still don't have those things, yet they've found a way to be successful. So I really admire the job that they've done.

As you look at some of the controversies going on in Hawaii? The Super Ferry, which may have shown us a tipping point where people are just kind of tired of so many changes, you know, or a sign that they just see a lack of control? Do you find yourself feeling that way as well?

I actually find myself on the opposite end of it. I'm really disappointed in the behavior. I've been involved in a few things, and I'm all about people having a voice. I think having an opinion is wonderful. I think it's wonderful that people can express themselves. I think sometimes it's how you express yourself. And just as far as an opinion on the Super Ferry, I think it's great for the interisland folks, for commerce reasons and all that. But without getting into detail, it's just the behavior I have seen on how people are reacting to certain things, I'm disappointed in, frankly.

Are you concerned at the direction Hawaii is going in for your kids' sake?

What I'm most concerned about is, I have an opinion of the people of Hawaii are the most fabulous people in the world. And that's why I've chosen to reside here. I, despite the challenges, I'm here because of the people. The people in this island are the most wonderful people in the world.

That's right. This is your adopted home. You're from Northern California, right?

Yeah. I've lived in California, which is a pretty nice place. But you know what? The people in California don't measure up to the people in Hawaii in any way, shape or form. And I'm here because of the people. And so the recent behavior of the people is what's disappointing to me.

Mm hm. What advice would you give somebody starting with, as you did, a modest sum with which to start a business in Hawaii?

Well, I think first of all, that's the best way to start. I think it's much easier to start small. Because when you start small, there's not a lot of risk. I started with five thousand dollars. You know, the worst thing that would have happened is, I would have lost five thousand dollars; not the end of the world.

But it's all you had, right?

It was all I had. But how hard is it to start over with almost nothing? I mean, starting from nothing, or almost nothing, it's sort of nothing. So I think starting small is actually easier. I think the key to starting your business, though, is first of all you've gotta really want to have your own business. If you just sorta think you want to have your own business it's not a good idea. 'Cause it's gonna be tougher, harder and more challenges. But like anything, if you really want it, I think you can be successful with it.

And what's an obvious mistake people make that they don't realize going into it?

I think it's maybe identifying their strengths and weaknesses, really being honest with yourself. Sometimes we have a tendency to think that we're better at more things than we really are. And so if you could start in a business where your core competency or your natural skill sets could be leveraged more often, you have a higher chance of being successful.

You sound like you're into the challenge and the process, and the achievement. Where does money fit into the equation?

I think money is more important just as far as meeting the needs of your employees and our family. Of course, my family comes first. So really meeting the needs of our family. But I have to say at times I've gotten too caught up in just, yeah, enjoying what you do to the extent that you sometimes take your eye off of the pure business and economic side of it.

Family first. Finding balance. Coming up next – we'll ask Kent Untermann to share his vision for his business.

One of our PBS Hawaii viewers asks this question. What inspires you, and who inspires you?

What inspires me. I think I enjoy working with people, whether it's my kids and just the interaction, and the other thing that inspires me is just making things happen. I really enjoy taking something and trying to make it better, tweak it, noodle with it. So I think I'm inspired by making things better, improving things, adding value to it, and looking back and seeing what you've created. I think that drives me.

You talked about the difficulty hiring people in this kind of tight labor market. Are you concerned about this widening gulf between the haves and the have nots in our society here?

You know, I'm becoming increasingly concerned about that. I've watched the Gold Coast on the Big Island, and you just see these incredible dwellings – multi-million dollar houses going in. I just thought, who's gonna service those people? How are those people gonna continue to be serviced? Even in our business, where we're looking for service-oriented people and what we can afford to pay, and what those people can afford to live on. There's a real gap there and a real mess. And yes, I'm very concerned about that.

And as an employer, I mean, if the folks you want to hire can't afford to live here, then your business goes flat. Or worse.

Absolutely. We're very employee-driven and uh, the service levels we provide to our customers are through our employees. And that's how we provide the service that we do. And it's increasingly challenging to be able to accomplish that.

A lot of business folks are concerned about workforce development, which many interpret to be the need to educate future workers better, have a stronger educational system. Are your employees, do they come to you qualified?

Well, I believe that we need to invest in our employees. So I'm really big on training. And no matter how much training we do, and how much we invest in training, it still seems to be not to be enough. I think anything that we can do, the State can do, the community can do to grow our people is money well spent.

Now that you're bringing custom and other picture frames to all of Hawaii, are you planning to go beyond these shores?

We have been talking about going to the mainland for a number of years, and scaling it. Unfortunately, we're not there yet. We have things that we have resolve and areas that we need to get better at. And I just want to be careful that I don't expand too far too fast and end up in a bad place.

Although if Hawaii has presented a lot of hurdles that perhaps other states don't have, perhaps you're already ahead of the game to go somewhere else?

It's really insightful that you're saying that, because you're right. Having to ship everything in, the cost of doing business in Hawaii – we've done national studies and we're substantially less than the cost of doing custom framing on the mainland, even

with all the added burden and cost of being in Hawaii. So you're correct. We plan way further in advance, everything gets shipped in on containers.

Your land costs are so much higher.

Right. The rent is higher, the land is higher, the shipping costs are much higher, the labor costs are much higher. So you're correct. We've had the benefit of that discipline.

So what's keeping you back? What are the things you have to resolve before you decide to move on?

Well, I'm just not convinced that – the way that we do things here in Hawaii, it's a hub and spoke. Everything goes into the central facility and then goes back out to all the stores. We handle all of that art. I don't think that that's scalable. So what we'd have to do on the mainland is just make frames. And I'm not convinced that we can do the volume that we do here in just making the frames and not handling the artwork. But I know that we couldn't handle the artwork on the mainland in the scale that we would need to. So that's what we have to figure out.

What about selling to uh, a mainland business?

Actually, I've spoken with my kids and they would like to, at least at this age—

How old are they?

Seventeen and fifteen. So we've had a family discussion. At least at this point in time, they would like to be involved in the business. And so as long as they want to be involved in the business, I would enjoy working with them. And we have other good employees that we've given equity to. So selling is really not something that we're looking at.

That's a wonderful retention method; giving equity to employees.

Yes; we've given equity to five of our key employees that have just been with us and really helped us grow our business. And so we basically just went back to them and said, 'Hey, we appreciate what you've done and want to give you a – it's not a large piece, but a small piece of the business, just kind of as a thanks.' And so that they have some equity in it also.

So actually, you're in a uh, good spot if, because most family businesses have trouble making it to the next generation, and so many mom and pops have died because of that.

I think we have a little bit of an advantage in that we're vertical – so we make what we sell, which also has its challenges. And we're scaled large enough that we're a little insulated. In other words, at the level that we're at, we're able to get enough good resource – I think it's really hard when you're very small, so you're limited on resources. We're also insulated in – what we do and how we do it I think is an advantage. But there's still all the challenges that everybody else has, for sure.

So what do you think you'll find yourself doing in the next ten years, if you could project?

I think that I'm gonna enjoy – my son has two more years in high school, and my daughter has a year. And I'm definitely gonna enjoy those years. Every spare moment I have, I'm gonna be spending with them. When they go off to college, I'd like to think that I will be a part of that in some way, shape, or form if they'll allow me to. And then after that, I would like to think that one or both of them will come back into the business, which will be kind of a whole new, inspiring, reinvigorating thing to get involved with them. And somewhere along there in that ten-year timeframe, I'd like to think that Lori and I will be able to spend even more time together.

You know, you talked earlier about something that I think a lot of people would like to know more about. It's the idea of pursuing a dream and actually getting there. You know, you were just knocking on the door of the Dallas Cowboys at rookie camp, and then you had to give up your dream, or part of it was taken away, part of it you had to choose, okay, I'm not going ahead with that.

I think when it come – at least for myself, and I can only speak from experience it was my dream and it was my passion, and I was driven for it since I was five years old that it was my dream to play in the NFL. So it – I can't say that it was easy to switch gears. But I think a lot of it is if you really back off a little bit. Playing in the NFL, owning a business, whatever, it really comes down to enjoying life and being driven and enjoying what you're doing. And so really, it was just a matter of switching gears. It was the same thing. And so whether I'm the owner of a picture framing business or a health club or an NFL football player, it's really making sure that you allow yourself to do things that you're passionate about and enjoy it.

Inner drive. A passion to succeed. The relentless pursuit. And a love for family and our islands. All part of the character of Kent Untermann. I enjoyed his stories. Mahalo to Kent – and to you – for joining me for another Long Story Short. I'm Leslie Wilcox. A hui hou kakou!