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Pearsall's Business About to Move Out of 'Small' Category

By JACK PHINNEY
Denver Post Business Writer

If Duane Pearsall is named the nation's Small Business Man of the Year at White House ceremonies in May, the honor may be somewhat after the fact.

The reason is that Pearsall's company, Statitrol Corp. of Lakewood, may be out of the "small-business" category by then. In the eyes of the U.S. Small Business Administration, which named Pearsall Colorado Small Business Man of the Year early this month, a small business is one that has no more than 500 employees. And Statitrol Corp. will exceed that mark sometime this year.

Pearsall's company is growing spectacularly. It produces early-warning fire alarms for homes and businesses. Its ionization smoke detector, called SmokeGard, attaches to the ceiling and sound at the first sign of fire. The company is continually receiving letters from persons who owe their life to the SmokeGard device.

The big problem at Statitrol is that production can't keep up with worldwide demand, despite the rapid growth of the company's plant at 140 S. Union Blvd., near the Denver Federal Center. So the company is adding a plant — and at least 250 people to its present work force of about 500.

The new location, the former Fire Alert Co. plant at I-70 and Kipling St. in Wheat Ridge, will provide some 25,000 square feet of manufacturing, storage and office space and alleviate crowding at Statitrol's 48,000-square-foot main plant.

The Wheat Ridge building was available because Fire Alert, also a manufacturer of ionization smoke detectors, moved its operations to the East Coast last summer. Fire Alert was started in Denver about 10 years ago by Donald G. Stroh, but by 1970 was a subsidiary of Kidde & Co., Clifton, N.J.

Pearsall started Statitrol in 1963 as a firm to manufacture static-control devices. The emphasis soon shifted to smoke detectors, however, and Pearsall pioneered in the development of ionization smoke alarms for home use. (Electricity flows across an air gap in the devices;

smoke blocks the current and trips the alarm.)

Statitrol continues to hold a leading position in the industry, despite increasing competition. Pearsall says at least four major corporations, including Gillette and General Electric, are entering the field this year.

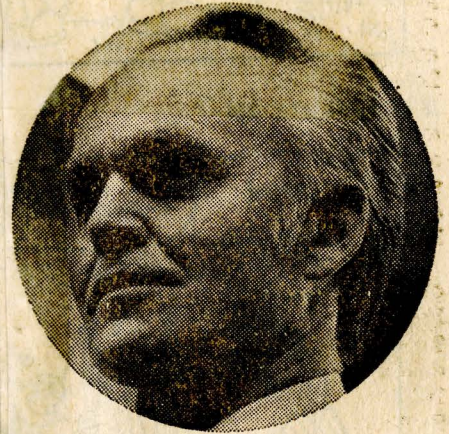
Pearsall's company is a model of enlightened capitalism. Benefits are exceptional and include a liberal profit-sharing plan. Pearsall himself has periodic "fireside chats" with the work force and is available to any employee who wants to talk with him. Several women hold key management positions, and the severely handicapped and minorities (including Vietnamese) make up significant percentage of those employed.

Statitrol has a Colorado license to run its own bus line and plans to start that operation soon, providing transportation to and from work for its employees. According to Pearsall, 10-passenger buses will be "farmed out" to various plant employees, who will drive and maintain them and share in the profits of the operation.

Perhaps in line with the enlightened capitalism, Statitrol even is assisting a potential competitor. Teledyne Water Pik (formerly Aqua Tec) of Fort Collins, Colo., is entering the smoke-detector field and initially will have Statitrol make the product that the Fort Collins firm will market. Eventually, Pearsall says, Water Pik will make smoke detectors itself in the former Samsonite plant in Loveland, Colo., paying royalties to Statitrol for the patent rights. Pearsall is enthusiastic about the arrangement. He points out that Water Pik's marketing prowess is very highly rated.

Pearsall also is enthusiastic, but frustrated, too, over Statitrol's sales situation abroad. The demand just can't be met, and the company has had to ration its product to distributors and delay planned expansions into new foreign markets. Still, the company's export sales now exceed \$1 million a year and are expected to double in 1977.

Statitrol's total sales volume is more than \$10 million a year, up from \$850,000 four years ago. The company's growth has been financed with small-business loans in 1965, 1969 and 1973.



DUANE PEARSALL

"We need to accept changes . . ."

Busy as Pearsall is with his own business, he still finds time to philosophize on business in general. "I'm disturbed about the negative attitude of many businessmen regarding any new regulations affecting our society," he said. "This negative attitude invites the media to place business in opposition to the citizens. We need to accept changes with a positive attitude and make the best of them."

Pearsall proposes that businesses have educational programs for their employees "to help them understand exactly how their business functions as a part of our free-enterprise system." Such programs, he said, would contribute to the spirit of this Bicentennial year much more than "all the gimmickry and memorabilia visible on the market."