D&M Industries

When it comes right down to it, relationships are key to every successful business. And at D&M Industries — an assembler and distributor of doors, frames, hardware and windows for the construction industry, based in Moorhead, Minnesota — relationships with employees, customers and suppliers are at the heart of the company.

In fact, employee relationships at D&M are vital because the company is employee-owned through an employee stock ownership plan (ESOP). The company is also driven by a mission to bring sustainable, profitable growth to employee-owners by delivering more value to customers than their competitors. Since its founding in 1982, D&M has grown from a seven-person organization focused exclusively on hardware and small projects to a $70 million, 145-employee manufacturer, supplying residential and commercial construction projects across the country. While the name D&M was chosen to represent the company's legacy of doing business in the Dakotas and Minnesota, they have completed projects in 49 states.

Bremer has been D&M's primary financial partner for 15 years, providing deposit and treasury management services, a line of credit and financing for acquisitions. Bremer banker Josh Herbold, who currently manages the account, credits D&M's relationships for their phenomenal growth. "D&M has fostered strong relationships with their customers, and they've successfully expanded those relationships while forming new ones. These relationships have resulted in major growth in the Twin Cities market and have laid the groundwork for successful acquisitions," Herbold said.

Since 2006, D&M Industries has operated as a full ESOP. "It's like the difference between renting an apartment and owning a home. You care a bit more when you own, and that's the culture we have here at D&M. Everyone participates and shares in the success we create together," said CEO Brian Becker.

Becker and Chief Financial Officer Dan Otto believe the strength of the D&M ESOP comes from exceptional governance. An independent trustee serves as the fiduciary for plan participants, and they elect a six-person board of directors every year with three independent directors. This structure ensures best practices in governance, including an independent valuation of company stock annually.

"D&M stock can't be bought; it has to be earned," said Otto. "It's a complex topic, so we work to make our ESOP easy for employees to understand. We talk about it at our new hire orientation, in training sessions and through quarterly updates. Employee ownership makes us strong and resilient and sets the right tone for our culture."

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> BRIAN BECKER

BREMER BANK

With their shared ownership in the company, employees care deeply about customer relationships. “At D&M, we always aim to build a multi-decade partnership, not just complete a transaction. We take this approach with customers and suppliers. It’s the mutual respect we have with these businesses that allows us to get invited to bid on different projects across the country and then grow with those partners as they grow,” said Becker.

> **“The theme of employee ownership and thinking like a business owner is a constant everywhere. When we accept other cultural differences, we learn from each other, so we welcome those nuances”**

D&M’s products fall into a difficult and high-precision category. Millwork demands exacting standards with every order. Becker explained, “We work to achieve accuracy with high-precision work and make it look easy — while being easy to do business with. Most of our customers are general contractors building large projects. We aim to be the partner they can count on.”

Being easy to do business with is important at D&M. One of their six core values, simplicity, is about making it easy to do business with them by being fast, on time and accurate. Other values include investing in employee-owners and infrastructure to provide their customers with the best resources; creating a culture of open communication with their partners and employee-owners; holding themselves accountable for their actions and results; being safe in everything they do; and supporting and enhancing the communities where they live and work.

While their values provide cultural guideposts, D&M expects that each of their locations will have their own distinct culture given recent acquisitions of Capital Finishing in 2018 and Midwest Window and Door in 2022. “The theme of employee ownership and thinking like a business owner is a constant everywhere. When we accept other cultural differences, we learn from each other, so we welcome those nuances,” Otto said.

To find and hire new employees, D&M works closely with local organizations that are focused on rehabilitation and reintegration, such as the North Dakota East Central Judicial District Drug Court Program, the F5 Project, Minnesota and North Dakota Departments of Corrections, and Crossing Homes. Since 2021, the company has added seven new employee-owners directly from these programs.

In addition to working with organizations in North Dakota and Minnesota, the two locations in Wisconsin have partnered with a local correctional center to develop talent. “Work release individuals come in to learn the trade and how to work on the line. It’s a win-win for all parties involved. We get great employees, and they learn a trade and gain employment. Some have stayed on after they’ve finished their sentence,” Becker said.

For Becker and Otto, their greatest source of pride comes from seeing employee-owners succeed financially. “When employees retire, and we get to celebrate their ability to take advantage of the ESOP in all the right ways, that’s incredibly rewarding. It’s the frosting on the cake,” Becker said.

The two leaders agree that having a banking partner that understands their business has been invaluable to their growth. “Bremer understands our business and our ESOP. They were with us through two acquisitions and a global pandemic. They understand the importance of growth and what the acquisitions mean to us,” said Becker.

Otto added, “The responsiveness at Bremer is highly valuable for us. If we need something or have a question or concern, I know I’ll be able to talk to someone quickly. And they’re going to call and check in on us, too.”

It all comes down to relationships, and Bremer is proud to have one with D&M Industries.

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