

The post-WWII success of Cliff Digre

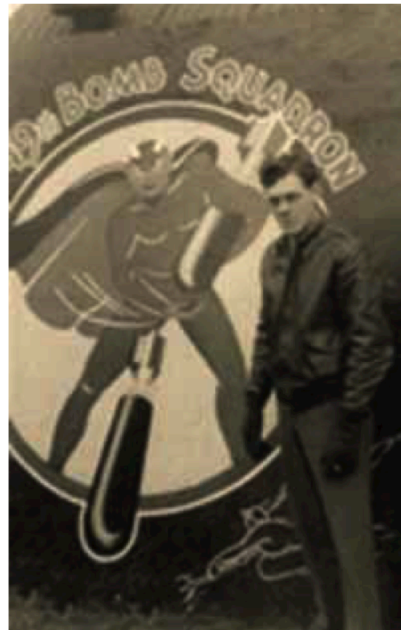
Say what? A local Minneapolis manufacturing company that exports to China? You betcha! The name of the company is the Minneapolis Speaker Company, otherwise known as MISCO. And our very own Cliff Digre started it in 1949.

For Cliff and his wife Bernice, the company has been a family affair. Cliff founded the company when he learned it would cost too much to fix his wife's scratchy kitchen radio. He quickly learned about radio speakers, how they work. He started fixing, making and selling his own.

With a lot of grit, hard work and tenacity the business grew. It developed into the MISCO of today. Bernice had much to do with its success. She became the company's first Chief Financial Officer. Those duties were eventually passed on to her daughter Carrie. Cliff's son Dan learned the business from a young age. He is now the President of MISCO.

What began as a simple enterprise to fix and repair scratchy radio speakers developed into one with multiple lines of speakers that are used today around the world. At one time a large part of the business was supplying speakers for outdoor drive-in theaters.

Today MISCO develops and builds speakers for casino gaming machines and the reverse beeping tone on vehicles and heavy equipment. MISCO builds speakers for aerospace, transit, military, home audio & theater, car/ motorcycle audio, signal/alarm systems, musical instruments, theme park and other outdoor audio, voice communications systems.



The speakers are built here in Minneapolis primarily using parts fabricated in China. Then the speakers are sent to domestic and foreign customers for all kinds of uses all over the world.

Visiting MISCO, one is struck by the cleanliness, organization and logic of the layout of the speaker production line. It is similar to what can be found at legacy manufacturing companies like 3M. Largely imported parts are organized, assembled with adhesive, screws and solder, tested and packaged for shipment.



A large part of the business is focused on design and production of special order speakers that can be made in small batches. This requires some software engineering and maintenance. Engineering speaker sound to customer specifications is vitally important.

***“Keep your word;
deliver what you promise and
ALWAYS PAY IN CASH!”***

-Cliff Digre

The engineering, internet and software aspect of the business is what separates MISCO from its competitors. It is the committed longtime workers at MISCO that make it all happen. To his credit, Cliff Digre created a company that is able to pay its workers well. The production workers seem happy with their jobs. Most live in the inner city and have chosen to stay with the company for decades.

The employee turnover rate is very low. The company makes an effort to keep its workforce happy even in the most difficult of times. MISCO was able to carve out a market niche such that there were no layoffs in the latest recession. To its credit, through the most difficult economy since 1980, MISCO was able to keep its production line busy with no employees losing their jobs.



Dan Digre has a lot of basic business savvy with which to operate the company successfully. He has lived within the family's speaker business environment all of his life. He knows the business well.

And the business can be very difficult. Competition for business is fierce. Competitors are eager for business these days. And customers know it. They are now forcing speaker providers to engage in reverse auctions.

That is, the customer sets a maximum price that it is willing to pay for a shipment of speakers. Then the builders contending for the work compete in an on-line auction undercutting the prices of their competitors. They compete to build speakers at the lowest prices possible to the customer. The price per speaker is actually driven down throughout the auction, sometimes by pennies per unit.

The lowest bid price wins the opportunity to build the speakers for a given customer. To be successful in a reverse auction one has to absolutely know his costs and capabilities in an instant. With his lifelong family background, Dan Digre seems up to this daunting task. He works the auctions all of the time.

One of the hallmarks of MISCO is that it operates debt free. That was a fundamental principal of the founder Cliff Digre that has carried over to Dan. MISCO is better able to control its own destiny by operating free of borrowed money.

That's the WWII generation's way of thinking. Cliff operated MISCO with honesty and the integrity of a man's word. In 2001 he contracted to build his new manufacturing facility on a handshake with the builder. He paid for the work in cash that had been generated and saved by the company.



That kind of thinking is a hallmark of the WWII generation: Keep your word, deliver what you promise and ALWAYS PAY IN CASH! That is how Cliff Digre made MISCO a successful enterprise. That is the legacy he has left his children. Now it is their job to build on that legacy, the legacy of a member of The Greatest Generation.

Cliff Digre still maintains an office at MISCO right next to his son Dan, the company's CEO. Asked if it is difficult to manage the company under the constant oversight of his father, Dan replied, "It's no problem at all. The arrangement works well."

Dan explained that his father, Cliff, has assumed the role of company ambassador. He has left the details of running the company to Dan and his sisters. Cliff doesn't interfere in their decisions.

When customers visit the company, Cliff welcomes them. He takes them through the company museum, showing them how it all began. And the customers are grateful for meeting the founder, who happens to have quite a background as an Army Air Force B-17 Ball Turret Gunner in WWII. ★

MISCO – The founders' memoirs

Into Life's School recounts with clarity and rich detail Clifford Digre's adventures as a B-17 gunner during World War II. But unlike most war memoirs, Digre's story doesn't end with the war. Instead, his war experiences — Life's School — provided the training for what comes next. Digre learned flexible thinking, new skills, and how to make the most out of every situation with limited resources. So when the speaker inside a kitchen radio proved defective, Digre decided to save \$3.00 by fixing instead of replacing it. The episode presented an opportunity that became Digre's life-long career: The founding in 1949 of what would become the Minneapolis Speaker Company — MISCO.

Today, MISCO is one of the few remaining loudspeaker manufacturers based in the US. It makes more than 1500 speaker models for hundreds of customers worldwide. Digre writes that he had been blessed in learning lessons from Life's School before and during the war, and afterwards building a successful business, and is still learning those lessons every day.

