ON THE RIGHT TRACK
Alumnus likens building a model train set to building a business
By Mary Reed

The story is now legendary. A seven-year-old Dick Kughn, on his way home from school, dug out a Lionel train from someone else’s trash and took it home. He and his dad refurbished it and got it running again.

It was the beginning of a lifetime of collecting models trains—and later a few real trains as well as cars—that peaked when Kughn owned Detroit’s Carail museum, holding many of the cars and model trains that he had collected over the years. At some point in the young Kughn’s life, he learned that engineers aren’t just the people who drive the trains, and when he took an aptitude test in high school he scored near the top in engineering.

Though an eye condition that causes double vision made academics challenging for Kughn, Ohio University accepted him in 1949 in civil engineering on probationary status.

“The University was beautiful and still is,” Kughn says. He took courses and participated in ROTC. “The professors and the teachers and the (administrators)—I had nothing but the best to say about all of them.”

He roomed with his old grade-school buddy and fellow engineering student Bob Wismar, B.S.A.E. ’52. “Dick is one of the hardest working people I’ve ever known,” Wismar says. “He’s always had a job, even as a kid. He’s a very bright person,” Wismar notes. “He was kind of an inventive guy. Still is, I think.”

But after just one semester, Kughn had to leave Ohio University for eye surgery. “What I did was out of necessity, but I would not recommend that to anybody,” he says of leaving the University.

Planning to return to Ohio University the following fall, he took a summer job in construction and soon found himself managing the project. The company then offered him a full-time job in Chicago—and Kughn found the opportunity too good to pass up.

At age 25, he met Al Taubman, the future billionaire shopping mall magnate, and so began Kughn’s 30-year career at the Taubman Company, where he rose to president and CEO. Today, Kughn is the chairman and president of Kughn Enterprises (also a real estate company) and a handful of other successful businesses.

Along the way, he collected model trains. “I would go to train shows, two to three a year,” Kughn recalls. “At the same time, I was collecting and my collection grew quite large. For about three or four years in a row, the other enthusiasts would say to me, ‘Dick, why don’t you buy the Lionel Train Company? It’s the only thing you don’t own.’”

One day, Kughn got a call from his attorney with news that perhaps Lionel was for sale. Despite the serious reservations of his accountants—Lionel’s luster had faded after a stint of manufacturing in Mexico—Kughn bought the company.

Within a few years, Kughn improved both the company’s product line and bottom line. During this time, he met rock star Neil Young—another model train enthusiast—and the two collaborated to create Lionel Technologies, or Liontec. They brought to the market a realistic digital sound system for the model trains as well as a new remote control technology.

Kughn sold controlling interest in Lionel in 1995 and remains in an ambassadorial role. He auctioned off much of his car and train collection in 2003, closing Carail. Now 81, he has earned an honorary doctorate and today still works and continues with civic affiliations full time.

Kughn’s advice to today’s college students is to work hard and have fun. “Do good things for society and for other people. By all means, if you’re not having fun, don’t do it. Because if you’re not having fun, you won’t be good at it.”