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2015 Rep of the Year

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Tom Duddy, president and CEO of Elmco Duddy, the 2015 Reeves Journal Rep of the Year firm. RJ photo.

2015 Rep of the Year

Perseverance and communication is how to develop partnerships at Elmco Duddy
By Jack Sweet

Adding Value

Success, actual, lasting success, doesn't happen overnight. That kind of success enjoyed by the company earning the 2nd Annual Reeves Journal Rep of the Year nod comes to the persistent, the ones who started laying the groundwork for success years before. In the case of one Southern California manufacturer rep firm, the foundations for its success were laid 62 years ago when a Zurn sales vice president decided to split from the corporate life and take a trip down the entrepreneurial highway.

Earl L. Morris in 1953 started a company called Acorn Engineering Company, according to Tom Duddy, the president and CEO of Elmco Duddy, today's version of a company that grew out of Morris' manufacturing business and his early vertical integration.

"Then in order to have more control, he made a decision to start a manufac-

turing rep company that would represent Acorn," Duddy said. "In '53, Elmco, [the] Earl L. Morris Company, came into being as a manufacturer representative for Acorn Engineering Company in Southern California. He was an amazing thinker — a very good strategist."

Today the City of Industry, Calif., company, boasts a second location in San Diego and 74 employees in Southern California. There was an Inland Empire branch back in the early 2000s when very few knew the go-go economy's bones were rotten to the marrow.

"We had expanded out there, but when the economy contracted we contracted that branch as well," Duddy said. "We've been in San Diego for a number of years. We've got an 8,500 square-foot facility with seven employees down in San Diego and we've got 65,000 square-feet of warehousing and office in City of

Industry. That's where the remainder of the team is based."

Elmco Duddy has 26 manufacturer partnerships in Southern California, the oldest being Jay R Smith, which the company has represented since day one, and Aquatherm, which joined the company's roster less than a year ago.

There are also sister Elmco companies in Northern California, Arizona, Nevada, and most recently in Hawaii: "They are under the Elmco Group banner and have managing partners in each market," Duddy said. "[It's] called Elmco and Associates in Northern California and it's called Elmco Swords in Hawaii, and then Elmco Stewart in Arizona and Nevada."

Roots of Success

From its beginnings 62 years ago to its current incarnation was relatively matter-of-fact for what is now called Elmco Duddy. The company's family tree is

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straightforward — E.L. Morris Company to Elmco Delaney to Elmco Duddy.

The transition began in 1990 when Elmco lost a key manager. Earl Morris' son, Don, was wearing two hats — running Elmco and Acorn Engineering. He was looking for a managing partner to run Elmco day-to-day. Duddy's father-in-law, Don Delaney, expressed interest in merging his company, Delaney and Associates, with Elmco. In March, 1990 a deal was struck and the company became Elmco Delaney.

"I had been working with Don for three years in outside sales and had recently married his daughter, Deanne, so I was deeply interested in the direction of the company — as was Deanne — and we both agreed it was a great opportunity for Don Delaney and our team," Duddy said. "Delaney was strong at the engineer and distributor levels and Elmco was strong at the contractor level. The opportunity was a good fit. Within two hours, they formed an agreement and had a handshake deal."

Duddy found himself in 1995 running the Inland Empire branch. Since that was doing well at the time, he was brought into headquarters as general manager in charge of operations and sales. That was also the year he, Delaney and Morris sat down and worked out a five-year succession plan.

"Both Don Delaney and Don Morris were big believers in succession planning and that rep businesses need a mix of experience and youth to remain relevant," Duddy said. "In '97, I started to buy-out my father-in-law's share of stock and became president. Over that five-year period from '97 to 2001, I bought out his stock. I was running the business and Don was slowly transitioning out of the business. In 2001 after the shares were completely purchased, then we changed the business name to Elmco Duddy in January of 2002."

Work Hard, Play Hard

Duddy said the company probably isn't all that different from many others in that success begins and ends with employees.

"I've always worked from a family standpoint and getting people on board that share the same integrity levels I like to see," he said. "I like people that have fun while



(Left to right): Tom Duddy, Ron Stewart, vice president of operations, Mike Fischer, operations manager, and warehouse manager Steve Gray. Not pictured - Richard Root, vice president of sales, Anne Yardley, applied products - team lead engineers, architects, end users, and Mark Lane, distribution products — team lead. RJ photo.

they work as well. Part of our culture is to have fun. I like integrity. I like competitiveness. I like an element of aggressiveness. I like an element of fairness in the way you look at the business and I like having relationships and partnerships. I've always liked finding employees who have the ability to build relationships with our customers, aren't just looking at one order but really are looking at a long-term relationship and partnership where we have the ability to help them grow their sales, make them money."

Relationships and partnerships. Those two words are at risk of becoming overused in the business lexicon. Every company out there talks about relationships with customers and partnerships with suppliers. Are these words just empty feelgood banalities or do they have real meaning at Elmco Duddy? What does that mean to have a relationship with your customer?

Duddy said, from the company's perspective, is understanding the business from a distribution standpoint. "We understand how the distributor works. We understand how they go to market. We understand what their issues are, what their opportunities are. We're able to help get inside their business and help them find solutions and offer them solutions to get into market," he said.

Cover the Bases

He said one way longevity has paid off for the company is that it has created relationships covering almost every facet of the industry.

"We have relationships at different levels in the business as well. We have a top-line relationship, which is advantageous because

a lot of things get lost when there are communication issues between our agency and our customer base or other entities that tie into the decision-making and focus: Whether it is long-term or short-term, having a relationship at the proper levels within the business is a must," he said, adding Elmco Duddy also enjoys good working terms with contractors, wholesaler/distributors and plumbing and mechanical engineers. He said an effort has been made to cultivate contacts on the end-user and architectural sides as well: "Where some businesses are focused just on the relationship at the distribution level, we've really worked hard at developing relationships in those five different areas."

Relationships are two-way streets. It's difficult to maintain a relationship with contractors, for example, if there isn't a mutual understanding. Duddy said there are some things contractors ought to know about the manufacturers rep business.

"One of the things that has been evolving for several years now is that, when it comes to who distribution supports, a lot of the decision-making is being made far removed from our territory," he said. "Those relationships we've talked about had a pretty significant impact on what is going to be stocked at the wholesale distribution level; what was going to be promoted by distribution to the contractor arena. Many decisions now are made back at corporate headquarters or through national deals and national relationships with our manufacturer. The key to our success has been to continue to create demand for our products in the local market which enhances the opportunity for being on the shelf at our stocking distributors and available for contractors and end users."

In addition, Duddy said contractors are seeing condensed construction time lines these days. Elmco Duddy has been making an effort to get out in front of contractors to help them and to coordinate distribution. "We also make sure that, on longer lead product lines or more technical product lines which may not be on the shelf that they understand lead times and installation requirements and we work with them to make the ordering and installation seam-

less,” he said, agreeing the company is, in effect, trying out just-in-time delivery.

“We’ve been very diligent on being in the pre-planning and implementation meetings with our contractors, especially where we’ve got larger projects that have significant amount of our products on it,” he said. “We do have a commodity side to our business and we have a local inventory ranging from Charlotte CPVC pipe, ABS, and PVC fittings to Ward Manufacturing products. On other, longer lead items like Loch-invar on the water heating and hydronic heating side, or on Acorn, on the stainless steel side, those are product lines that could take six- to 10 weeks to manufacture. We’re getting out in front of that with contractors and making sure they understand lead time and make sure they get the right product, at the right price, at the right time.”

The Long View

“One of the things that I’ve learned over the last 18 years as I’ve been running the business is to be more patient,” Duddy said. “Early in my career, I wanted things to happen immediately. You’re talking about that competitiveness and aggressiveness you like to have yourself that people embody. There’s an element of patience you have to develop.”

And that’s a tip or trick or whatever you’d like to call it. Duddy said if you persevere, if you communicate, if you’re consistent, if you’re doing things right, then over a period of time, you will develop the relationship.

“You will have an impact. The relationship will turn into an opportunity and if we’re consistent and we’re patient and we do the right things, then that will develop into a sales opportunity and partnership,” he said. “There just needs to be a strong element of communication. Sometimes, reps get overloaded in the business. They’re trying to balance all these different demands. Everything is moving faster, quicker, with condensed lead times. The pace of construction and the expectation time for responses continues to get shorter and shorter. It is critical that our manufacturers have a clear plan that they communicate and coordinate with us and that we in turn communicate to our team and to our customers. Face to face meetings, video conference, webinars, email, texting, websites, Facebook, twitter, phone calls – it all comes into play.”

Duddy said the bottom line is that Elmco Duddy appreciates the role it plays at different



Deanne Duddy, architectural solutions, Josh Buscaglio, director of plumbing sales; Tom Duddy, Andy Lopez, applied products team lead – contractors. RJ photo.

levels in the industry: “We add value. We add value to the chain,” he said. “We add a lot of value to the chain, especially on the technical product side where the industry has gotten less technical. I think that technical reps like us still add a ton of value to the chain.” **RJ**



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