MAINTENANCE SALES NEWS

MSN Distributor Interviews

4 Discuss What Helped Business In This Economy

MSN Distributor Cover Feature

Barrett Supplies & Equipment

Maintenance Sales News Focus On Ice Melters
Barrett Supplies & Equipment, of Indianapolis, IN, a full-service janitorial/sanitation supply house, is one of three companies in the EMS Group. Barrett’s sister companies are Executive Management Services (EMS), Inc., a commercial cleaning, facility maintenance and management company, and Delta Services of Indiana, Inc., which provides security services. All three companies are headquartered at the EMS Group facilities on the north side of Indianapolis, just minutes from Interstate-465, I-65, I-74, I-70 and I-69.

Barrett is owned by Barbara Bego and her husband, David Bego. “We are a WBE (Women’s Business Enterprise),” said Barbara Bego, who is also president of the company, said during a recent interview with Maintenance Sales News Magazine.

The EMS Group’s goal is to provide a total facility solution. Whether working together or individually, customer service and satisfaction are priorities of the Group.

Barrett’s wide range of offerings include chemicals, paper products, dispensers, liners, floorcare products, equipment, mopping tools, janitor and utility carts, hand soap, industrial wipes, odor control systems, restroom accessories, hands-free washroom equipment, floor pads, abrasives, ice melt, and more.

“We tend to focus on paper products and chemical lines. We also sell a fair amount of equipment,” said Barrett General Manager Raymond Mourey.

Barrett also services equipment, including items not purchased at the distributorship. A significant portion of Barrett’s base is in sales of consumable products used in Class A office space, Mourey explained.

“We are looking at the education segment as being the next area of concentration, as well as the medical field,” Mourey said. “Our customer base is about 60 percent Class A office space.

According to the Building Owners and Management Association International, Class A office space is in the most prestigious buildings competing for premier office users with rents above average for a particular area. Buildings have high quality standard finishes, state-of-the-art systems, exceptional accessibility and a definite market presence.

One of the ways companies have remained competitive during these tough economic times is by expanding the customer base. In addition to expanding sales in the education and medical segments, Barrett officials are on the lookout for additional markets.

“We are looking at areas of growth where we have not typically been involved, such as light industry,” said Barrett Sales Manager Mike Simerly. “Our sales consultants are constantly looking for new opportunities.”

Simerly went on to explain as the company seeks new and unique markets in which to expand, there has also been a push to think of sales people as consultants.

“ ‘Consultants’ our sales people work with customers to help them find the best possible solutions,” Simerly said. “While the best solution may not always be the cheapest, we try to stress

In Spite Of Recession

Barrett Supplies & Equipment

Double Digit Growth In 2008-2009

By Rick Mullen

Maintenance Sales News Associate Editor

Barrett Supplies & Equipment management team includes Sales Manager Mike Simerly (left), General Manager Raymond Mourey and President Barbara Bego.
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—Barrett General Manager Raymond Mourey

“Mike (Simerly) does a good job of bringing in vendors to train our sales consultants,” Bego said. “The sales consultants take this knowledge to their customers to help them save money, which is part of the reason we are seeing fewer sales locally.”

In helping customers work through the recession the past couple of years, Barrett’s relationship with vendors has also evolved.

“Our relationship has changed the past couple of years as we have partnered with them,” Simerly said. “Barrett, our vendors and the customers must all win in this equation. We have been able to drive down some of our costs because we have developed a different relationship with some vendors than we have had in the past. We have some great vendor partners.”

Because of economic pressures the past couple of years, to help facilitate sustained growth and to streamline operations, Barrett has reduced the number of vendors.

Bego added: “The recession forced us, as well as many other companies, to look at everything we were doing. Even though we maintained and improved our sales, we were cautious.”

In addition to consulting with customers on how to save money, Barrett has also helped them survive the economic downturn in other ways. As the recession has been especially hard on the automobile industry, Mourey and Simerly told how Barrett was able to help one local car dealership stay in business.

“We had a car dealership that was really struggling a year ago. Some suppliers would have said, ‘You are four or five months out with us; we are going to put you on COD,’ but we didn’t. We worked through those bad times with them. The dealership is still a good customer of ours as things have turned to around in the car business,” Mourey said.

Simerly added: “In that situation, we put our heads together to figure out how to reduce the dealership’s costs and to get what it needed to get by. We got to the point where our sales consultant was taking small orders to them so they could stay on track without running up a huge bill.”

A Symbiotic Relationship

Barrett Supplies & Equipment was founded in 1954 by Art Barrett. The distributorship changed hands a couple of times and, in 1994, David and Barbara Bego purchased the company.

“It was challenging in the beginning because the business was in bankruptcy at that time,” Barbara Bego said. “We brought it back to life and it has been an interesting venture. We enjoy, on a daily basis, all the challenges running the business brings.”

The motive in acquiring a distributorship was directly related to Executive Management Services (EMS), which the Begos founded in 1989.

“There was such a fluctuation in our purchasing of supplies for EMS, that we felt we needed to do something to improve on costs. So, we decided to purchase our own distributorship,” Bego said. “Currently, EMS has services in 36 states, and we send supplies to many of our branches.”

Mourey added: “In 1994, we had relationships with several manufacturers and we thought we could probably start our own distribution company, mostly to help ourselves.

“It has been very helpful to mold the two companies together. Sometimes things change within Barrett based on EMS’s needs. For example, about seven or eight years ago at EMS, we standardized on one particular chemical line. This pushed Barrett toward that chemical line. The chemical company not only wanted EMS, it also wanted more distribution in the Indianapolis market, and so it came to Barrett.”

In addition to being Barrett’s largest customer, the relationship between Barrett and EMS has other benefits.

“Our relationship between the distribution side and our contract cleaning side gives us a real synergy,” Simerly said. “We work in tandem to be able to provide the best solution for customers, whether they are an EMS customer or a Barrett customer, or both.”

Part of the synergy between the two companies has to do with the availability for EMS to act as a kind of test market for new products.
“Every vendor is going to come to you with the latest new widget. We can take that widget and give it to the cleaning side. EMS people can try it out and tell us if it really works,” Mourey said. “This is a great way of evaluating our products.”

Simerly gave the example of the vacuum cleaner that is currently being used by EMS personnel. The vacuum cleaner was initially given to a local EMS facility to test in a commercial cleaning environment.

“If a vacuum cleaner lasts for two or three weeks in the commercial environment that the EMS people put it through, then it is a pretty good vacuum cleaner,” Mourey said. “The same holds true for other products.”

When the Begos purchased Barrett, the company was located on the east side of Indianapolis. Now the company is located on the north side of the city in the Castleton area, one of the most popular shopping destinations in Indianapolis. The location also affords easy access to the city’s Interstate system.

“We find it is very beneficial to be near an Interstate,” Bego said. “It is very convenient for customers and our drivers.”

The city’s location, as a whole, has also proven to be an important benefit. The company’s primary service area is within a 120-mile radius of Indianapolis, traveling west to the Illinois border, north to Fort Wayne (the second largest city in Indiana behind Indianapolis), east to Dayton, OH, and southeast to Cincinnati, OH.

“We are centrally located in our service area,” Mourey said. “The Interstate system around Indianapolis is really nice. Our drivers can get to the nearest Interstate in about two minutes.”

Green Cleaning And Sustainability Concepts Taking Root

Green has arrived in the nation’s heartland and many of Barrett’s customers are embracing environmentally friendly cleaning concepts.

“We are seeing more of our customer base looking at green cleaning,” Mourey said. “It runs the gamut from a customer just wanting to use more recycled products all the way to one of our largest customers — a Fortune 500 company — that has become a Green Seal certified business operation.

“In addition to offering customers green paper and chemicals, we are looking at other products and practices to help customers meet their green goals. For example, we are working with matting manufacturers that have developed completely recycled surfaces for their matting, along with rubber-based backing. Using high quality matting helps ‘green up’ the environment.

“We are also offering water-saving items such as waterless urinals, automatic flush valves and automatic faucets to help customers save money.”

Another aspect of the environmentally friendly arena is the concept of “sustainability.”

“Sustainability is becoming a popular topic that people want to explore,” Mourey said.

Mourey gave the example of a mopping system that Barrett offers.

“The mops are made out of recycled PET,” Mourey said. “Furthermore, when the mops are no longer usable, they can be recycled and the material can be used to make other products. Even here in the Midwest, people are talking about sustainability.”

As a part of Barrett’s concept of being consultants to its customers, the company has developed a green training and education program to help organizations become as green as they want to be, including becoming LEED (Leadership in Energy and Environmental Design) certified.

“We have developed a PowerPoint presentation on the shades of green — How green do you really want your organization to...
A full menu of eco-responsible products for your everyday cleaning needs.

ISSA Orlando Booth 3311

A Customer Service Oriented Culture

In keeping with the consultant concept, Barrett’s tradition of offering personalized customer service is especially beneficial. The staff’s ability to advise, guide and educate customers on a personal level builds long-lasting relationships that are the bedrock of today’s highly competitive distribution industry.

While Barrett’s sales consultants, Kristen Tackett, Matt Simerly and Steve Castor, are relatively young in age, they bring many years of experience in the jan/san field to the table.

“Years I have heard people say there is going to come a time when sales reps are unnecessary, because people will be able to find anything they want on the Internet,”’ Mike Simerly said. “I disagree. I think personal relationships are still really important. People crave the opportunity to have that interaction — that opportunity to express their frustrations or their joys to someone.

“I think most people are proud of their business, generally speaking, and they like to let the sales consultant know he or she is a part of helping them be successful. We feel like that with many of our vendors, as a matter of fact. We can say to our vendors, ‘We are successful because you partnered with us.’”

Recently, according to Mourey, two medium-sized customers in Fort Wayne desired to purchase some products from Barrett through an EMS contact. All the companies wanted was pricing on some paper and other consumable products.

Barrett’s response was to go the extra mile and have a sales consultant travel to Fort Wayne to meet with the customers personally.

“We are always looking for additional ways to help resolve problems — to provide that extra level of customer service. We like to say we want to meet or exceed the customer’s reasonable expectations.”

— Barrett Sales Manager Mike Simerly

“We got that response because we met that customer, shook hands and said, in essence, ‘Let’s develop a relationship.’

“We are always looking for additional ways to help resolve problems — to provide that extra level of customer service. We like to say we want to meet or exceed the customer’s reasonable expectations. For example, one of our sales consultants made three trips in three days to Fort Wayne recently to take care of customers.”

Bego reiterated that Barrett has been blessed with an experienced staff, which is critical when it comes to being effective consultants. Although employee turnover at Barrett is low, when a position does come open, great care is taken in selecting the right person to join the Barrett family.

In speaking of filling a recent in-house customer service opening, Bego said, “It took awhile for us to find a person who had the right personality. We also look for people who are willing and able to learn because there is a tremendous amount of information that our employees must know.”

Mourey added: “We are very selective when we hire new people to make sure we have the right kind of person. In the case of the customer service position Barbara (Bego) alluded to, we went through three people before we settled on the person we have — and she is sharp. It is a tough process.”
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Simerly agrees with Mourey and Bego, that the process to find the right person to fill a Barrett position is well worth the effort.

“Whether it be in sales or in-house staffing, finding the person with the right personality — the person who is willing to roll up his or her sleeves and learn — is critical,” Simerly said. “There are plenty of sales people within our industry looking for jobs right now. The question is, can they interact with the people we already have? If they can’t get along with the people we have, it is not very effective for us to try and bring somebody else in. It can be difficult to find the right people.”

“Nothing makes me happier than to have a customer tell me, ‘I really enjoy speaking with your customer service person.’” That driver of yours is outstanding,” Mourey said.

“Our drivers are out there in the front lines. So, when they make their deliveries with a smile on their faces, that is what we want.”

“We want people who are good with the customer base, whether customers are calling on the phone or they are seeing a driver or sales consultant in person, and that is the kind of people we have in our organization.”

Another critical key to Barrett’s consultative approach is offering the best in training. Barrett offers periodic seminars as well as individual on-site training sessions for customers.

Many times, Barrett will partner with its vendors to conduct training.

“Because of the relationships we have developed with our vendors, their representative will often go with our sales consultants to visit customers,” Bego said. “The vendor reps are experts, and they have been willing to help our people make big and small sales and to educate customers.”

“Even though our sales consultants have been on board for a long time, they don’t hesitate to bring in the manufacturer’s representatives to help,” Mourey said. “These reps are the real true experts. Our sales consultants have a wide range of products that are available for them to sell and it is hard to be an expert in everything.”

Barrett typically offers several seminars throughout the year on a variety of subjects, such as green cleaning, food, care, facility care, and others.

“Last year we conducted a gym floor seminar in Franklin Township. While the facility benefited from getting a new coating on its gym floor, a number of other customers and potential customers saw how the application was done,” Simerly said.

A “team cleaning” seminar that Barrett conducted was also especially helpful for a school system that was struggling with budget issues.

“We put together an all-day program. We brought industry experts in to help instruct,” Mourey said. “The school system had to save money. They had to cut staff, and it was decided the best way to meet the system’s cleaning needs was to go into a team cleaning mode.”

Mourey explained the team cleaning concept involves having an “expert” for each cleaning task. This is in contrast to the traditional method of having a janitor in charge of one wing and performing all the cleaning tasks in that area.

“For example, there could be a trash expert, a vacuuming person, a light-duty specialist, a restroom person, etc., and they move through a facility as a team,” Mourey said. “The cleaning team can move faster because several tasks can be performed at the same time. Also, as the team moves through a facility, it can turn off the lights and even set the air-conditioning to turn off as cleaning in a particular area is completed. It saves energy, it saves money and a team can typically clean a lot quicker.”

Looking Forward To Future Expansion

As the company has experienced significant growth in recent years, Barrett officials are looking ahead to possibly expanding the existing warehouse or building a new facility.

“Because of our growth, our warehouse space has tightened up a lot,” Bego said. “A couple of years ago we invested in racks that have taken us up another level, but we’ve outgrown that now.”

Currently, there is 10,000 square feet of warehouse space in Barrett’s facility. Office space is also becoming an issue at the current Barrett site.

“We are looking at expansion of this facility or even the construction of a new facility,” Mourey said. “We would like to double our warehouse space and double our office space, whether we add it on here, or build a new building.”

Also, as a result of the company’s growth, Bego and her management staff are planning a major upgrade to state-of-the-art, industry specific software. This software would allow for the better management of all aspects of the business, including truck routing, warehouse management, customer service, and office tasks.

“We had hoped to implement the new software this spring, but we just found that business was a little slower than we like,” Bego said. “We are watching the numbers hopefully we can implement it toward the end of this year.”

Simerly added: “We are all eager to make this happen, but obviously we are going to take this very carefully. This is a major step for us. One of the things we think the new software will help us do is to maintain the ability to operate the business at the same staff levels that we now have.”

“Looking back on Barrett’s growth over the years, Bego said, “We owe our success to quality people. I think it says a lot about our company that we have employees who have been with us for such a long time.”

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Zep Inc., a leading producer, marketer, and service provider of a wide range of cleaning and maintenance solutions, has announced that Amrep, Inc., a wholly-owned subsidiary of Zep Inc., along with certain other subsidiaries, has signed a definitive agreement to acquire certain brands and assets, and assume certain liabilities of the North American operations of Waterbury Companies, Inc. -- a leading provider of air care delivery systems and products for facility maintenance -- for a cash purchase price of approximately $66 million, subject to post-closing working capital adjustments.

The assets acquired through this transaction, which is expected to close during the first fiscal quarter of 2011, generated approximately $40 million in revenues during the last 12 months at margins that are attractive to Zep Inc. This acquisition provides additional avenues for growth into the distributor and retail channels.

The acquisition is expected to generate a number of synergistic opportunities and is expected to strengthen Amrep’s leadership position in air care delivery systems and products for the facility maintenance markets.

“Building on the success of the Amrep acquisition, this transaction represents another important step in our strategy to expand our access to market through distributors and specialty retailers,” commented John K. Morgan, Chairman, President and Chief Executive Officer of Zep Inc. “Waterbury has strong brands and impressive customer relationships that, when combined with Amrep under the leadership of Joe Seladi, should accelerate our growth in these key end-markets. The integration of Waterbury into Amrep’s operating platform is expected to be accretive to Zep Inc.’s fiscal 2011 earnings. Further, this deal represents meaningful synergies that, once achieved, should add significant value to the overall organization."

“We are excited to offer our customers expanded product offerings in the air care, water conservation and insect control categories. Our distributor partners will benefit from this combination, as they will be able to source multiple product options through their relationship with Amrep. We believe this will allow Amrep to help make our customers’ business better by streamlining their supply chain in these important product categories,” commented Joe Seladi, President of Amrep, Inc.

Amrep will add Waterbury’s well-established TimeMist®, TimeWick, Microbe-max® and Touch Less Control™ brands to its existing brand portfolio, which currently includes Misty®, Next Dimension®, I-Chem®, and other Amrep proprietary brands. This acquisition provides Amrep with not only enhanced product capabilities, but also access to new specialty Farm and Agricultural retail channels through the Country Vet® branded products designed for insect and odor control.

The closing of the transaction is subject to expiration of the applicable waiting period pursuant to the Hart-Scott-Rodino Antitrust Improvements Act and other customary closing conditions. BB&T Capital Markets served as the exclusive financial advisor to Zep Inc. in the transaction. Hunton & Williams, LLP served as the legal advisor to Zep Inc. in the transaction.