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ANDERSON BROS.
TOOL CO.
NEW CASTLE, PA



**Customer service, capturing opportunity
continue to be family traditions at Anderson Bros.**

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Keeping It In The Family

However you want to classify them, a glass front jobber, mobile distributor or warehouse, it's all relative for the Anderson Brothers Tool Company.

By Jeff Reinke

"When someone calls, they're usually hard pressed to not have an Anderson answer the phone," states Aaron Anderson, who represents the third generation of Andersons charged with keeping this family-owned tool and equipment business up and running. Anderson Brothers Tool Company is located in New Castle, PA where it was started by brothers W.L. (Pat) and Miles Anderson over 60 years ago.

The company's origins date back to the Great Depression when Pat Anderson was employed at Oldforge's production plant in New Wilmington, PA. In 1933 hard times led to inspiration, and Anderson asked if he could work outside the plant as a mobile salesman. Shortly thereafter he began to realize the potential of mobile sales and purchased a new truck solely for that purpose.

In 1937, seeing his brother's prosperity, Miles Anderson quit his position as a school teacher and joined his older brother as a mobile factory distributor for Oldforge. Each brother's success led to the opening of their own respective stores in the early 1940s before they eventually partnered at one location in 1946. Their joint efforts led to product line expansions and the development of a nationally known warehouse distribution center.

Although three different distribution methods had been used during the company's brief history, it was during the 1950s that the company's multi-faceted operation truly began to take shape. Anderson Bros. was already a well-known warehouse distributor, but now its founders began to turn additional focus to its glass front operation. The company had also started using a fleet of vans to expand its reach and grow its customer base.

In the years that followed growth would push Anderson Bros. into the larger facility from which they currently operate. Since that expansion in 1965, the primary changes have been expanding storage space and adding to their mobile distributor fleet. The constants of the business have been slow, but steady growth, and the continued presence of Anderson boys at the counter, in the warehouse and behind the wheel.

Both Pat and Miles have since passed, with Pat's son Bill now charged with managing day-to-day operations. He's able to work along side his cousin Leroy in the store while his brother Jim runs one of the company's trucks. Also on the road are Jim's son Jay and his cousin Bob. Leroy's son Aaron works along side his father in handling many of the ordering and counter responsibilities, while Bob Sr.'s [sic] wife Karen handles administrative and accounting functions. In all 7 Andersons work for the business that still bears their family name.

VARYING AVENUES OF APPROACH

The Anderson Brothers feel most comfortable in classifying themselves as a mid-sized warehouse distributor. It's a distinction that becomes somewhat blurred with the company's origins and current dealings in mobile distribution, as well as their location having the look, feel and functionality of a glass front retailer.

Six tool trucks servicing a 50-mile radius around New Castle fly the Anderson colors. They include:

- Jack Yochum and Fred Seybert, who each operate as independent mobile distributors, but buy exclusively from Anderson Bros.
- Dad McEwen, who at one time worked behind the storefront counter, but now functions as an employee and mobile dealer.
- Jim, Jay, and Bob Anderson also operate trucks, but do so as Anderson Bros. employees.

Their combined territories demand primarily biweekly routes, running from Pittsburgh up to the NY state line and as far west as Youngstown, OH. Regardless of how the Andersons choose to classify themselves, their ability to remain flexible in seizing opportunity has led to success in all three roles.

IN HOUSE

The company's warehouse operation ships product across the country, while also working with several independent mobile distributors in the immediate area. Their biggest challenge stems from finding enough space for a growing inventory. "We built a new addition 6 ears ago. We've since filled that space, so now we're using every available inch for storage, while also working to keep the store front as neat and organized as possible," states Bill Anderson.

Due to their size, Anderson Bros. keeps a watchful eye on accounts receivable, as cash flow is a constant concern when re-investing in the business via an expanding inventory. However, in some instances being smaller can have its advantages. "I think we're able to have more direct contact with our mobile distributor customers, in comparison to some of the larger WDs. This personal touch in running the business allows us to get feedback straight from the streets, which we can then pass on to the manufacturers we deal with. Sharing this information helps them and us to provide better products and services for everyone involved," states Bill Anderson.

Another key component to the Anderson Bros. business has been their membership in the AXXIS Elite Buying Group. The group, comprised of over 40 mid-sized tool and equipment warehouse distributors, provides its members with enhanced purchasing power, as well as marketing support. "The combined buying power of the group allows us to fill our greatest demand. It keeps us competitive from an availability perspective. AXXIS also produces a color flyer that can be customized

according to each member's pricing and inventory. We use it to help support our mobile dealers and drive demand for the listed products," states Bill Anderson.

In addition to battling space constraints, Anderson sees capitalizing on special buys as a way to help improve turn around time, a key to growing the business. "Special buys give us a real shot in the arm with increased volume and a faster turn. This helps to offset some of the larger stock orders that tend to move a little slower," he explains.

BEHIND THE COUNTER

With their glass front operation, Anderson Bros. can cater to the more immediate needs that arise from both traditional patrons, as well as some of their untraditional customers in the light industrial and vocational fields. An additional niche has been their relationship with some local PBE jobbers that call upon the store to provide tools and pieces of equipment not found in their inventory. End-users can also make their way to the retail location, which demands experience behind the counter in making sure pricing structures are not compromised.

"We can usually tell who's an end-user and who's a distributor. Either way we're sure to charge end-users the same price they would pay if buying off of one of our trucks," explains Aaron Anderson. "However, there's also a focus on providing the customer with the right tool, advice and an overall high level of customer service." This would stand to reason as the stationary nature of the retail operation also fulfills customer service roles for the mobile business.

"Often we'll have customers drop off their weekly payment at the store. Also, on those rare occasions when a truck won't be at their shop for a couple of days, they'll come in and buy what they need here. In both of those instances we're sure to give either the payments, or the information relating to the purchase, to the appropriate MD. Any sales are credited to the mobile guys, not the store. In these situations, the glass front operation proves to be a great support mechanism for our mobile distributors," states Aaron Anderson.

BEHIND THE WHEEL

The mobile operation's growth has resulted from the long-standing and overwhelmingly positive reputation Anderson Bros. has within the community. "This has made the Anderson Bros. name a real asset for our mobile guys. Plus, the visibility of our yellow trucks and logo gives us the equivalent of a moving billboard. We've even had customers and other mobiles ask if there was an opening for another distributor," says Bill Anderson. Again, the nature of the company's operation allows it to do things other mobile, warehouse and glass front distributors cannot.

Such an example is Jim Anderson being able to focus almost exclusively on servicing fleet accounts. This allows Anderson Bros. to stock more heavy-duty tools and equipment. It's not just another customer being serviced by their mobile dealers, the warehouse can carry more products in this category because there's a greater sales push for it on the other end.

Another target of Anderson Bros. trucks is shop-oriented tools and equipment. They feel they have an advantage over other MDs because of the relationship shared by the mobiles and the warehouse in delivering lifting equipment and other purchases not traditionally made by an individual customer.

The Anderson's mobile dealer network reports average customer payments of around \$20. Bill Anderson feels the greatest opportunities for customer growth can be found in specialized service shops and RV repair locations. These figures and trends are similar to those seen by other mobile distributors around the country, and the common threads don't stop there. "Just like any other mobile dealer, reliability is key for us," states Dan McEwen, who drives one of six Anderson-branded trucks, "along with product variety and taking care of our customers. We're no different than any other mobile dealer, which means that our success depends a great deal on the support we receive from the franchise, or warehouse. And I'd put our people up against any WD in the country."

LOOKING FORWARD

In looking to the future, Bill Anderson sees growth potential in all three business areas. "10 or 12 trucks would be great, but before we can expand the mobile fleet, the warehouse has to be able to handle all of those requests without taking anything away from our customer service levels. So we're also looking at possible additions to the warehouse.

"We've enjoyed slow but steady growth over the last 5 years by staying financially sound and re-investing in our business. This has created a substantial inventory that trickles down to provide greater selection for our glass front and mobile business. Overall, we feel our size and multiple distribution channels allow us to get new products on the street quicker than some of the larger companies, which is a tremendous advantage. By sticking with this strategy, we should be able to continue growing and expanding, as the market allows," he states.

Regardless of the path taken in doing so, for 70 years an Anderson has been placing tools in the hands of those who need them. It appears that a commitment to doing things the right way and taking care of people are more than just sounds business practices, at Anderson Bros., they're family traditions. ■