

Point of difference

In an ever changing marketplace, Abbott Rubber Company strives to carve out a unique niche

By Rich Vurva

Many distributors strive to create a unique selling proposition, a point of difference that makes customers realize that they're unlike competitors. Abbott Rubber Company has achieved that goal better than most distributors. For example, when you visit the company's website, at first glance you might think the company is a manufacturer rather than a distributor. The site touts the company's expertise in industrial hose and rubber products for equipment manufacturers and end-user customers, and includes a tag line reading "Serving distributors and equipment manufacturers since 1951."



Terry Weiner, president of Abbott Rubber Co., and his brother, Dennis Weiner, vice president and co-owner of the company.

The website also offers details about Abbott's assembly and fabrication facilities and the markets it serves, including industrial facilities, contractor supply and equipment rental, liquid waste and environmental cleanup, appliance manufacturers and other OEMs, firefighters, municipalities and the agricultural industry.

What you won't find on the site, without doing a little digging and downloading product catalogs, is a list of the vendors the company represents.

"Although we are very proud of the manufacturers we represent – we are distributors for Goodyear, Parker Hannifin, Tigerflex, Kanaflex, Eaton, Flexaust, Dixon and all the large domestic manufacturers – we have found advantages in promoting our company," says Terry Weiner, president of the company headquartered in the Chicago suburb of Elk Grove Village, Illinois.

More than 95% of the company's sales, totaling nearly \$20 million annually, is intended for redistribution through channels ranging from contractor supply houses, industrial distributors, catalog merchandisers, agricultural products dealers, retail farm stores, Internet sellers, equipment rental houses and more. Abbott also serves



original equipment manufacturers – supplying flexible hosing for washing machines and other appliances for example – and provides private labeling of hose, assemblies and rubber gaskets to OEMs and for redistribution that may end up on the shelves of retailers such as Sears, Lowe’s or Home Depot.

“Very few items leave here in the same configuration that we received it,” explains Dennis Weiner, who is vice president and co-owner of the company with his brother Terry. “We are typically cutting, coupling, testing, packaging and performing a wide variety of assembly. We sell ourselves more as a manufacturer than a distributor because we service more distribution than we do the end-user.”

Terry Weiner describes the company as a “half-step below a manufacturer and a half-step above a distributor.” Abbott offers assembly and coupling services that most manufacturers don’t provide and, with a 50,000 square foot warehouse and assembly facility in two adjacent buildings, has a much larger investment in inventory and custom-designed assembly equipment than a typical hose distributor.

“A typical distributor is not going to have the personnel or the investment in equipment like we do to fill an order of 20,000 cut lengths of hose for example. That’s not something you can cut by hand,” Weiner says. One custom-built machine onsite has the capacity to produce up to 15,000 hose assemblies in Abbott’s two-shift operation per day.

Additional production and assembly equipment includes hose coilers, reelers, cutters, testing equipment, shrink wrap machines and printers for producing private label products, plus material handling equipment. A new dieless cutting machine (think CNC machine that cuts rubber instead of metal) in the industrial rubber division can cut rubber sheets into O-rings, gaskets and other items in virtually any shape or size, with minimal wasted material. The company has the capability to cut, die cut, strip, punch, laminate and add adhesive if required, in the tens of thousands or in small quantities.

“We don’t want to have to rely on anyone else. We want to be able to do as much as we can in-house so have better quality control,” says Dennis Weiner.

A recent redesign of the warehouse improved throughput and efficiency, enabling the company to increase inventory turns to more than nine times a year, which Weiner says is more than double the industry average.

Quality and safety are paramount

Terry Weiner serves on the board of NAHAD – The Association for Hose and



Accessories

Distribution, and the company participates in the NAHAD Safety Institute, which indicates that Abbott follows industry-approved procedures for hose assembly safety, quality and reliability. He believes that participation in the Safety Institute helps set his company apart from competitors that don't participate.

"We are very big on testing our hose assemblies, even when it's an assembly that we've been selling for years. We'll take a sample out of production and test it to make sure it meets our high quality standards. We don't want to get products out there in the field and have them fail," he says.

Although Weiner recognizes the trend by suppliers and distributors to seek alternative sources for products from China, India and other countries to give customers a low-cost option, he's careful to maintain as much control as possible over product quality.

"We try to shy away from your generic import product. Whenever we have tried some import product, the level of quality just isn't there," he says. "We want to sell a product once; we don't want to have it returned or have a dissatisfied customer. So we are pretty particular with who we deal with as far as vendors."

In addition to competition from non-traditional suppliers overseas, Terry Weiner has also noticed a trend among domestic manufacturers to supply cut and coupled hose assemblies to distribution.

"In the past, manufacturers made hose and distributors fabricated and sold the hose and assembly. It is making it harder to compete in the marketplace when our suppliers are performing a function that distribution used to provide for them," Weiner says.

No salespeople? No problem.

Another point of difference between Abbott Rubber and other hose distributors is its sales force. The company has no outside salespeople. Because most of Abbott's products that end up in industrial facilities were provided to those plants through a reseller or another distributor, Abbott doesn't need outside salespeople calling on plants. Instead, a staff of 15 inside salespeople, many with decades of experience and

expertise in specific disciplines, such as hydraulic hose and assemblies or sheet rubber specialists, can satisfy customer requirements over the phone or online.

“We focus on providing quality products and customer service and doing things the right way. We have a complete staff of engineers, expeditors, purchasing people, inside sales, traffic managers, logistics specialists,” says Terry Weiner. “It takes a full staff to be able to do the things that we do in the volume that we do it in.”

Despite the changing marketplace dynamics – the Chicago area has half the number of manufacturing facilities today than it did 25 years ago – Abbott has managed to survive. Since the recession of 2009, the company’s sales have grown by at least 10% every year.

Abbott Rubber is much different today from the business founded by Terry and Dennis’ father in 1951. Terry has two sons and Dennis has one son involved in the company, so their goal is to eventually have a third generation take over the family business. If their sons inherit the same kind of passion for the hose distribution business that their fathers have, Abbott Rubber Company will continue to strive to carve out a unique market niche for years to come.

*This article originally appeared in the March/April 2013 issue of **Industrial Supply** magazine.
Copyright 2013, Direct Business Media.*