

October 2011 | Volume 29, Number 8

# PM

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## 2011 Wholesaler of the Year: First Supply

Joe Poehling, president of  
Wisconsin-based First Supply.

# 2011 Wholesaler of the Year — First Supply

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## Aggressive customer service

Pairing the word “aggressive” with “customer service” may strike you as odd if you think of customer service in traditional warm and fuzzy terms. Yet, in today’s challenging economy, what better way for a supply house to keep its customers loyal and provide them with the edge they need to differentiate themselves from their dogged competitors?

At first meeting, the cordial demeanor of the management team and employees at Wisconsin-based First Supply may appear anything but aggressive. To them, however, customer service means more than a smiling face at the counter or a soothing voice on the phone.

“Aggressive customer service at First Supply means that we help contractors take advantage of their business opportunities with superior professional technical expertise and assist them by offering multiple alternative solutions,” First Supply President **Joe Poehling** says. “Contractors today are in a very competitive environment and look to their suppliers to provide them with more value than ever to help them offer a customized and unique service to the market.

“Contractors more than anything are looking for a partner to help them select the right product and service so they can differentiate themselves.”

Aggressive customer service also means that First Supply maintains personal contact with contractors on a number of levels. The sales, customer service and even senior-level management teams make these contacts through day-to-day business and special promotions.

At 114 years of age and its roots in the trades, family-owned First Supply generates annual revenues of \$200 million. The wholesaler has 28 facilities serving Wisconsin, Minnesota, Iowa, Illinois, Michigan’s Upper Peninsula and South Dakota; 12 locations feature a bath-and-kitchen showroom.

Besides that market segment, the company operates in plumbing, HVAC, waterworks, pump/well/septic and industrial pipe/valves/fittings. First Supply’s facilities are supported by one central distribution center and about 500 employees.

**Top: First Supply’s repair, replace and remodel business continues at a strong pace, which makes its 12 Gerhards showrooms even more important today. Bottom: President Joe Poehling is committed to helping contractors take advantage of all available business opportunities.**



Photo credits: First Supply

# First Supply helps contractors keep their competitive edge.



**Executive Management team in the Badger Training Room (left to right): Back row: Robert Bernier, Kevin Burke, Stacie Weaver and Judi Jardine. Front row: Mike Broadway, Brian Donarski and Mark Kindschi.**

“Our employees are our most important asset,” Poehling says. “One of our core beliefs is we need to invest in them to the best of our ability.”

**Trending upward:** *Plumbing & Mechanical* is not the first to make First Supply its Wholesaler of the Year. Although in 2011, we are.

Last year, the Plumbing-Heating-Cooling Contractors — Wisconsin Association and Master Plumbers Association gave First Supply their 2010 Industry Partner Award for its active involvement in local chapter events, its sponsorship of PHCC’s local product shows and its development of an environmental rebate/rewards program. In 1989, *Supply House Times*, *PM*’s sister title, named the company its Wholesaler of the Year.

This year, First Supply expects to grow its revenue, albeit slightly, from 2010. The diversity of the company in its different market segments helps it get through challenging economic times,

CFO **Todd Restel** says.

First Supply’s repair, replace and remodel business continues at a strong pace, he says. The wholesaler’s industrial segment is improving, led by government-funded projects; hospitals and assisted-living facilities; and — as you might expect in Wisconsin — the construction of new dairies. New research facilities at the University of Wisconsin and other institutions will bring more nonresidential business in the months ahead.

“In 2012, we expect another gain over 2011,” Poehling says. “The growth we’re seeing will be slow, steady and small. By 2013, we’ll see much better improvement as the economy continues its recovery.”

“It is First Supply’s responsibility, however, to make sure our contractors remain successful in this marketplace no matter if the economy is expanding or shrinking.”

Keeping current with industry and consumer trends is one way First Supply helps contractors. The wholesaler remains active in more than a dozen regional and

national associations, including PHCC, the Mechanical Contractors Association of America and the American Supply Association. It stays involved in joint planning meetings with manufacturers and with Affiliated Distributors, its buying group for plumbing, heating and PVF products.

Risk Manager **Mary Prahler** sits on ASA’s Safety Committee, which works closely with OSHA regulators. The relationship allows First Supply to stay on top of changing governmental regulations as well as to provide input.

“Government is in our lives, especially in the construction industry,” she says. “It’s important for us to get information out to people in the public sector.”

“We’re seeing a change in the stance of agencies like OSHA away from training and education to more enforcement. This gives us the opportunity to bring solutions to contractors to help them differentiate themselves in terms of safety on the jobsite and elsewhere.”

**Staying connected:** Personal involvement with its customers at the local level, however, is the most important way First Supply stays on top of changes in the marketplace, Poehling says.

“Our customers keep the communication going on what their own customers need and desire,” he says. “The key in helping contractors meet their business challenges is to keep listening to them, be flexible with the services provided and supportive in their endeavors.”

“One change particularly affecting contractors is new competition. These competitors may be local contractors expanding their services or contractors from outside the traditional marketplace. A second trend is new product development. This trend can result in technology that offers lower upfront or life-cycle costs for the end user.”

First Supply helps contractors meet these challenges with training and educational opportunities. In broad terms, these programs can be divided between new product training on one hand, and business education on the other.

# Aggressive customer service



First Supply uses counter days, product shows, open houses, dealer meetings and safety demonstrations, such as this fire safety demo, to keep its contractor customers on the cutting edge of technology.

their customers so they can select the right bath-and-kitchen products for their new construction or remodeling project. Gerhards connects with consumers via Facebook as well.

“We are staying in close touch with contractors and also inviting them to view the Facebook page so they are aware of how we are interacting with their customers,” Executive Vice President **Mike Hickok** says. “Along with our Facebook effort, we’re working on a comprehensive plan to incorporate social media into our marketing efforts by including many different levels of technology in our marketing and sales.”

**New initiatives:** The wholesaler’s eSupply program already allows contractors to search for products, check inventory and pricing, and place and track their orders online. Besides ordering and billing tasks, eSupply communicates First Supply’s events calendar, product bulletins and special promotions.

Started two years ago, eSupply accounts for close to 5 percent of First Supply’s sales. The company expects that business to grow to 20 percent in the next seven years, Vice President **Dave Prahler** says.

Photo credit: First Supply

The goal of product training is to keep contractors on the cutting edge of technology so they can make informed buying decisions. This is the case whether a contractor wants to branch into a new market segment such as geothermal or solar thermal, or to make sure he chooses appropriate equipment, such as a variable-speed pump, from a broad range of product options.

This training is achieved through manufacturer-sponsored courses, counter days, product shows, open houses and dealer meetings at First Supply locations as well as through jobsite demonstrations and factory tours. A number of the courses offer licensing CEUs.

First Supply offers other seminars to assist contractors with the ever-changing regulatory requirements mentioned earlier and general business knowledge. A “Pricing for Profit” workshop recently drew more than 200 contractors. Other seminars have addressed cash flow, inventory management and employee retention.

In addition, First Supply uses its Gerhards showrooms to educate contractors and



First Supply’s management team (left to right): **Todd Restel**, director of finance; **James Poehling, P.E.**, vice president of engineering; **Mary Prahler**, risk manager; **David Prahler**, vice president; and President and CEO **Joe Poehling**.

Photo credit: Bob Mitodonski/Plumbing & Mechanical

# Aggressive customer service

“It’s a very good program we developed in-house with our contractor customers; it’s not an off-the-shelf e-commerce solution,” he says. “So, eSupply has become a very popular resource for hundreds of First Supply customers, and it just happens to be eco-friendly as well.”

The wholesaler takes its commitment to the environment seriously through its First Supply GREEN initiative. It has joined both the EPA’s WaterSense program and the U.S. Green Building Council, with several employees obtaining LEED AP certification.

“We feel it is important to take a leadership role on these technologies and to actively promote them within our market and nationally,” Poehling says. “In Washington, we have spent a significant amount of time meeting with our national leaders as well as working and leading coalitions that promote these technologies.”

Locally, First Supply promotes water- and energy-efficient products to its customers and has provided solar water heaters for Habitat for Humanity homes. In-house professional engineers, heating system designers and interior designers work with contractors on innovative applications for green technologies.

**Beyond the basics:** First Supply’s sales and marketing efforts incorporate promotions traditionally associated with wholesalers. These include weekly counter days, sporting events and fishing trips, plant tours and market-segment “firecracker sales.”

The wholesaler’s signature promotion, however, is its World Of Opportunity, which rewards its loyal customers — large and small — with trips to Europe and exotic locations worldwide.



**First Supply offers business education to assist contractors with ever-changing regulatory requirements and general business knowledge, such as pricing, cash flow, inventory management and employee retention.**

“World Of Opportunity has continued to evolve and grow to where our key vendors participate in offering our contractors an exceptional experience for their willingness to partner with the vendors and First Supply,” Executive Vice President **Elliot Collier** says. “By purchasing the best-quality products, the contractor can earn an experience that is more than just a trip. It becomes a life-long memorable experience with friends.”

By stocking quality products and delivering them on time, First Supply can help keep contractors profitable, Poehling says. Vendors include A.O. Smith, Kohler, NIBCO, Sloan, Delta Faucets, Wilo,

Milwaukee Electric Tool, Watts, Uponor, Elkay, Milwaukee Valve, Moen, US Pipe, Gastite and Gerber.

Beyond buying and selling products, First Supply leverages its place in the supply chain to build relationships with and among its industry partners.

“We are in this together; we all move forward together or fail separately,” Poehling says. “All transactions need to have a win-win-win-win solution: a win for the contractor, a win for the manufacturer, a win for the manufacturers rep and a win for the end user.”

“As long as everyone wins, we know it will end in a win for First Supply as well.” **PM**

Photo credit: First Supply

## FIRST SUPPLY

First Supply LLC is a leading main channel wholesale distributor in the upper Midwest, providing industrial customers and building contractors with an extensive line of products and services.

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