

“Solutions Distribution”: Realigning the Aftermarket Strategy to Advance Full-Line Distribution

The repositioning of more than a dozen divisions serving the HVACR industry into Emerson Climate Technologies™ – and the transitioning of the business group’s focus from the engineering and manufacturing of components to the delivery of system-wide solutions – has created unprecedented opportunities for pull-through in the aftermarket.

Ed Purvis, group vice president of Emerson Climate Technologies refrigeration, laid out that opportunity at last year’s annual conference of wholesalers carrying Copeland® White-Rodgers®, Flow Controls, HVACR Motors and other Emerson products. “Emerson Climate is just beginning to engage customers in system-wide solutions that will represent millions of dollars of equipment needing regular replacement and service. And they will look to Emerson Climate for aftermarket support and the wholesalers and contractors who can keep them up and running.”

Today, we’re realigning distribution strategies not only to support the Emerson Climate business transformation but also to help our distribution partners capitalize on the opportunities to grow their businesses.

“This solutions-oriented business strategy requires putting a ‘solutions’ distribution system in place,” according to Mark Gibson, vice president and general manager of Emerson Climate Technologies Distribution Services; the division Emerson formed two years ago to manage marketing, sales and physical distribution in the aftermarket. “Strong distribution is a key to Emerson Climate’s success. So we’re committed to full-line distribution of Emerson products as we help our wholesalers serve their customers with an expanded line of products while delivering the highest level of service and technical support.”

One critical piece of that commitment is creating replacement component demand for Copeland, Flow Controls and HVACR Motors. “Emerson is working side by side with contractors and end-users to better understand their business needs and issues as well as gain their insights on product design and services,” says Bob Labbett, vice president of marketing for Emerson’s Distribution Services. “Our salesforce is spending more time with key decision makers, discussing the features and benefits not only of Emerson Climate Technologies products but of our new solutions approach. What we’re learning is that having all products available at one wholesaler is key to success.”



“We seek out relationships like the one with Emerson Climate for the efficiencies in doing business. There’s one sales discussion instead of dealing with multiple sales people, our logistical costs go down and it’s easier to get things right, the economies of scale in day-to-day business transactions save us money; and we eliminate inconsistencies in marketing through the synergies between Emerson product lines and marketing programs.”

Jack DeMao,
CEO, C.C. Dickson Co.

Also key to a full-line distribution strategy is the implementation of new branding guidelines for the aftermarket. “We’re moving away from the PrimeSource® distinction, which was tied exclusively to Copeland compressors and condensing units, toward Emerson Climate Technologies Authorized Full-Line Wholesalers,” says Labbett. “Additionally, we’re helping our business partners market these expanded product lines to fully leverage the Emerson brand.”

Another important component of this commitment to service is a series of improvements in the physical distribution of Emerson products. These changes began almost 18 months ago with the expansion of the distribution center from Fishers, Indiana to Mount Comfort, Indiana. Leveraging the new layout and additional space, Emerson instituted a series of process improvements designed to improve product availability and delivery performance.

We’ve also been able to leverage our relationship with Emerson to give wholesalers better freight rates as well as cube out truckloads of product, automatically managing weight for more effective loading without exceeding weight limits.

A new phone system at the call center with the ability to collect data, identify problems and prioritize them – along with enhanced customer service to support this critical initiative – has reduced abandoned calls by 50 percent.

And on-time delivery – shortening lead-times and improving product velocity – continues to be a focus. Distribution Services is also accelerating the development of an eBusiness environment and use of electronic communication and transaction tools in the aftermarket.

Emerson Climate Technologies’ shift to a full-line distribution strategy and the changes Distribution Services has been initiating are attracting the attention of wholesalers who have partnered with Copeland, White-Rodgers, Flow Controls or HVACR Motors in the past. Today, Copeland PrimeSource wholesalers are looking at the advantages and requirements of being a full-line Emerson Climate Technologies authorized wholesaler.

One wholesaler supporting the new strategy is C.C. Dickson Company, a full-line wholesaler providing HVACR parts and equipment from 108 branches throughout the Southeast. According to CEO Jack DeMao, “we seek out relationships like the one with Emerson Climate for the efficiencies in doing business. There’s one sales discussion instead of dealing with multiple sales people. Our logistical costs go down and it’s easier to get things right, the economies of scale in day-to-day business transactions save us money; and we eliminate inconsistencies in marketing through the synergies between Emerson product lines and marketing programs.” This value has helped C.C. Dickson Company not only focus on increasing market share in refrigeration but actually drive those increases, according to DeMao.

Young Supply Company, with 73 years in the HVACR aftermarket business serving Michigan and Northern Ohio with 16 branches is another strong supporter of full-line distribution. Director of Marketing Ron Vallan Jr. states that Young Supply shares Emerson's belief in the importance of providing total solutions. As a matter of fact, that's the way they'll be positioning some of their branch locations – as total solutions providers – in 2004 marketing and advertising programs. “We know we can serve our customers more effectively with a full line of products. That's why we were pleased to add Emerson Climate Technologies Flow Controls and HVACR Motors,” he says. “With the demand Emerson is creating with end-users and contractors for retail solutions, Young Supply wants supermarkets and other retail operations to know we can fulfill all their replacement and technical support needs.”

At 42-year-old Progress Supply, its Cincinnati, Columbus and Dayton branches have all added Emerson Climate Technologies Flow Controls and HVACR Motors to their inventories. “We're really proud to be offering more to our customers,” says Technical Specialist Kim Ryan.

Gibson expects support for full-line distribution like this only to grow. “We're giving our distribution partners a greater opportunity than ever before. As Tom Bettcher, Emerson Climate Technologies business leader, told us at the 2003 Wholesaler Conference, “We believe in and support this partnership that empowers us to win together. Emerson Climate will continue to identify the products and services our customers need and lead the industry in the manufacturing and marketing of system-wide solutions. And we will rely on our wholesalers' core strengths in distribution and strong relationships with contractors to fulfill the demand we are creating.”