

### **3. Preferred Pump's Work Ethic**

by Pat Lenius

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Most of Preferred Pump's branch managers do a little of everything, according to Tom Bowers, director of marketing/group manager. "Their obligation is to their customer first," he says.

Everyone is on call all the time, he notes. "Customers have their cell phone numbers. I was at work the day after Thanksgiving and a customer called up for a pump – our salesperson was right there! Most of our salesmen get called out on the weekend."

If a dairy runs dry and the cows don't have enough water, it is in trouble. If a customer is unable to irrigate in the middle of summer in California, a whole crop of pistachios or grapes or tomatoes could be lost. "When you are in the pump business, you are married to your customer," Bowers says.

"When employees get to work, what they do that day is governed by the phone, whether it be a salesman calling with an order, or a customer looking for an exotic or out of production pump. Employees are cross-trained.

"We look for people who are willing to do whatever needs to be done, whether it be getting on a computer, loading a truck, making a delivery or even sweeping the floors," Mike Floyd, group manager, says.

"Employees can't be locked into just one thing," he adds. "We are all here to service the customer."

#### **Preferred Pump: Challenges And Goals**

##### **Managers foresee continued growth.**

The biggest challenge Preferred Pump has faced has been its growth, according to Scott Sizemore, vice president of purchasing and information technology. "When I first started we had five branches. Now we are up to 30," he says. "For a period of time we were adding three to four branches per year."

The challenge then was absorbing the workload for the new branches and melding them into the Preferred Pump business model while maintaining current business, he says.

"As we have grown larger, we have gotten better at determining the right amount of personnel we need on hand," Sizemore says.

According to Joe Thein, a group manager for Minnesota and Wisconsin, some of the biggest challenges faced in his region include:

- Keeping Preferred Pump's service levels better than its competition. "Our major competitors have followed our lead and gone from being full line wholesalers like most were back in 1990 to specialty distributors focusing on the water systems industry, so we need to always strive to 'do the little things better,'" Thein says.
- Dealing with the continual expansion of municipal and rural public water systems.

"It is increasingly more difficult for the private water well contractor to compete with government subsidized rural water projects," Thein notes. "Many of our customers have had to diversify in order to keep their businesses healthy. In many of the southern and western counties of Minnesota very few private wells are now drilled so our customers have had to diversify into water treatment, environmental drilling, irrigation and other business ventures. Likewise, we as a distributor will be challenged in finding ways to grow our business in a mature market without losing focus of the core well and pump businesses that have traditionally been our mainstay."

Another group manager, Jim Mathison, points out a major challenge is helping contractors improve their businesses. "We try to educate all the contractors to be good businesspeople," he says. "We want to teach them how to do different things that will generate more revenue. When they are financially healthy, we are too," he says. "I want every customer I sell to be very successful."

People are the biggest challenge, according to Eddie Linnartz, a group manager. "If I lose a manager or salesman, as group manager I have to run that branch until that person is replaced," he says. "Our biggest challenge is finding good people and keeping them."

West Soward, vice president/finance, says his goal for Preferred Pump is to help it grow and be the best distributor in the industry. "The future outlook for Preferred Pump appears to be strong," he says. "We have great branch personnel and an owner who wants to grow the company by adding more great employees."

Sizemore projects that Preferred Pump will continue to enjoy the growth and success it has seen in the past. "I expect us to be one of the leaders in making acquisitions," he says. "We want to grow and expand in both new and existing markets."

"All of us at Preferred Pump are lucky to be working with an owner who has a philosophy about running a business that reinvests a vast majority of his profits into the growth of the company," Thein says. "I think that philosophy and our common sense approach to operating a business will keep us growing and on track to continued success."