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distributors

## **NRF** Distributors sells service

### By Janet Herlihy

[AUGUSTA, MAINE] Built on a family retail foundation, NRF Distributors has prospered for more than 40 years by making customer service its number one priority while using the latest technology for a competitive edge. "We are always trying to move ahead as fast as possible to be better at what we do," stressed Norman Pomerleau, company founder and president. "Our customers notice that we are constantly finding ways to improve."

That attitude has made NRF the eighth largest distributor in this year's Top 25 Distributors report with 2014 sales of \$146 million.

NRF has all it takes to be a successful flooring distributor - the right inventory, great customer service and a state of the art system to deliver the merchandise.



The company keeps several millions of dollars in inventory of flooring materials including all types of hard and soft surface products and accessories. It is also a distributor for Tarkett and Quick-Step. It now serves about 3,000 retailers across New England, Upstate New York and a portion of Pennsylvania. Currently, carpet and hardwood are its two largest categories. "We are very competitive with carpet because we buy from so many manufacturers," Pomerleau explained.

Warehousing, with two major facilities in Augusta, is another strength for NRF. The company is building a 54,000 square foot addition to its already 100,000 square foot Gabriel Drive warehouse. "We have extra high ceilings (38 feet high) that almost double the space for palletized goods," Pomerleau reported. Storage and retrieval is computerized so the company knows exactly what it has and where to find it.

With about 65 drivers and 45 trucks, NRF provides fast, dependable delivery. It started its own trucking fleet in the 1980s. "Prior to that, we used common carriers but it was too expensive," Pomerleau said. "I hired Paul Lachance as a part time driver to start. Now he runs our warehouse and trucking operations."

Pomerleau saw the future in computers early, finding a programmer in the early 1980s to devise a system to handle orders quickly and efficiently. He recalled, "It took a year or two to Continued on page 19

E= Estimate

R= Revised

\*Data Includes CMH

\*\*All Holdings, Inc. is parent company of All Tile/Carpet Cushions & Supplies

Sales in millions of dollars

| Ranking | Company                                                                       | 2014                   | 2013                   | Key Executives                                                                                                                                                                                                                                                    |
|---------|-------------------------------------------------------------------------------|------------------------|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| I       | M S International, Inc.<br>Orange, CA<br>(714-685-7500)<br>(msistone.com)     | \$670.0                | \$560.0                | Manu Shah, CEO; Raj Shah, president; Rup Shah, president;<br>Al Pacheco, vice president; Manny Llerena, director of sales                                                                                                                                         |
| 2       | Haines *<br>Glen Burnie, MD<br>410-760-4040<br>jjhaines.com                   | \$490.0                | \$320.0                | Bruce Zwicker, president/CEO; Rosana Chaidez, SVP sales<br>CMH Div.; Scott Roy, VP sales, marketing & customer ser-<br>vice; John Coakley, CFO, and business development; Fred<br>Reitz, VP supplies business & development; Hoy Lanning,<br>president, CMH Space |
| 3       | BPI<br>Memphis, TN<br>901-744-6414<br>bpiteam.com                             | \$225.0                | \$216.0                | Daniel Riley, CEO; Sam Martin, VP; Wallace McAlexander,<br>CFO; Elaine Bennett, VP; Lowry Wilder, division mgr.                                                                                                                                                   |
| 4       | The Belknap-White Group<br>Mansfield, MA<br>508-337-2700<br>belknapwhite.com  | \$201.0 <sup>(E)</sup> | \$190.0                | Ray Mancini Jr., president; Paul Castagliolo, executive VP/<br>GM; Bill White, president, commercial div.; Bill Prescott, VP<br>sales                                                                                                                             |
| 5       | All Holdings, Inc. **<br>Elk Grove Village, IL<br>888-ALL-TILE<br>alltile.com | \$170.0                | \$150.0 <sup>(R)</sup> | Bob Weiss, president/CEO; John Welch, CFO; Steve<br>Rosenthal,VP sales; Marc Haberman, director of marketing                                                                                                                                                      |
| 6       | Galleher<br>Santa Fe Springs, CA<br>562-356-4610<br>galleher.com              | \$150.0                | \$125.0                | Jeff Hamar, president; Todd Hamar, SVP; Rick Coates, SVP;<br>Ray lodice, CFO                                                                                                                                                                                      |
| 7       | William M. Bird & Co.<br>Charleston, SC<br>843-554-3040<br>wmbird.com         | \$147.0 <sup>(E)</sup> | \$138.8 <sup>(E)</sup> | Maybank Hagood, CEO; Robert Hagood, president; Gene<br>Corvino, senior VP finance/CFO                                                                                                                                                                             |
| 8       | NRF Distributors, Inc.<br>Augusta, ME<br>207-430-2818<br>nrfdist.com          | \$146.0                | \$133.0                | Norman Pomerleau, president; Terry Pomerleau Gray, SVP<br>mktg.; Lee Gray, SVP sales; Jimmy Pomerleau, VP com-<br>mercial; Debbie Giordano, VP wood, Paul Lachance, VP<br>operation, Marie Vellenx, VP                                                            |
| 9       | Apollo Distributing Co.<br>Fairfield, NJ<br>973-228-5000<br>apollodist.com    | \$144.0 <sup>(E)</sup> | \$136.6 <sup>(E)</sup> | Keith Slobodien, president; Jim Russomano, VP/GM; Chuck<br>Greene, wood manager; Chris Courtenay, manager, resi-<br>dential vinyl, laminate; Carl Embrey, manager, commercial<br>vinyl, laminate                                                                  |
| 10      | B.R. Funsten & Co.<br>San Francisco, CA<br>415-674-0530<br>brfunsten.com      | \$137.0 <sup>(E)</sup> | \$130.0                | Jim Funsten, chairman/CEO; Curt Thompson, president/<br>COO; Dave Bolton, VP concrete solutions; Rick Wagner,<br>VP Tom Duffy hardwood; Bob Ramos, VP Armstrong sales;<br>Tom Kane, VP commercial solutions; Jon Youngberg, VP<br>Tom Duffy supplies              |
| 11      | Tri-West Ltd.<br>Santa Fe Springs, CA<br>562-692-9166<br>triwestltd.com       | \$134.0 <sup>(E)</sup> | \$127.0 <sup>(E)</sup> | Dan Proctor, president; Tony Geiger, CFO; John Lubinski,<br>VP operations; Allen Gage, VP sales & marketing; Frank<br>Kelly, VP sales                                                                                                                             |
| 12      | FlorStar Sales, Inc.<br>Romeoville, IL<br>815-836-2800<br>florstar.com        | \$133.0                | \$126.0                | Wade Cassidy, owner/CEO; Scott Rozmus, president;<br>Greg Stirrett, CFO; Mike Ricker; VP field sales; Kelly A.<br>Cassidy, VP general counsel; Daryl Bradley, commercial<br>sales mgr.                                                                            |



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| Family-friendly, |
|------------------|
| customer focused |

Core values keep Jaeckle Distributors successful

#### By Amy Joyce Rush

[MADISON, WISC.] No. 24 on *FCW*'s Top 25 Distributor listing, Jaeckle Distributors, founded in 1958 by Harvey and Bernadine Jaeckle, has operated successfully for decades guided by key core principles. First, it's family-owned and that colors how the company operates and then, there is an acute awareness that its future depends on providing value to its customers.



Jeff Jaeckle, president, said because it is a family-owned business, the company works hard to keep a family-oriented feel for its employees. "As we've grown, we've certainly become more professional and more accountable, but Torrey [Jaeckle, vice president] and I both have kids and understand the flexibility that's needed for families. Technology makes the flexibility easy because many positions don't necessarily need to be in the office from 8 to 5. If someone needs to go to a soccer game, that's fine because we know they'll be connected later that evening to get the job done."

But equally important are the customers Jaeckle services in the Midwest. "Another principle we live by is that we know our future depends on providing value to our customers. Real value and new value; not the things the industry called value 10 years ago," said Jeff Jaeckle. "What our customers value is evolving and we've run third-party industry surveys, Jaeckle-managed surveys, focus groups, etc. to help us gauge where things are today and where things might be five years from now. We know that technology will play a critical role in helping us provide value to our customers in ways that we and they might not have imagined a few years ago. We're very committed to this."

And technology is indeed something that Jaeckle has embraced and utilizes to benefit the company and its customers. The executives said they will continue to invest in technology too. "The main way our role, at least at Jaeckle Distributors, has changed over the past several years is that we're becoming more than distributors of just physical product. Instead we are putting the tools in place to become a Continued on page 19

| Ranking | Company                                                                                          | 2014    | 2013                  | Key Executives                                                                                                                                                       |
|---------|--------------------------------------------------------------------------------------------------|---------|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 13      | Ohio Valley Flooring<br>Cincinnati, OH<br>513-561-3399<br>ovf.com                                | \$126.0 | \$126.1               | Al Hurt, president; Jeff Garber, VP sales & marketing; Mark<br>Roflow, VP finance                                                                                    |
| 14      | Herregan Distributors, Inc.<br>Eagan, MN<br>651-452-7200<br>herregan.com                         | \$117.0 | \$114.5               | Ken Herriges, CEO; Bob Link, president/COO;Tom Splin-<br>ter, EVP sales; Craig Folven,VP sales & marketing Para-<br>mount; Pat Theis,VP sales & marketing Mannington |
| 15      | T & A Supply Co.<br>Kent, WA<br>253-872-4998<br>tasupply.com                                     | \$116.0 | \$109.0               | Owen Strecker, CEO; Mark Strecker, president; Will Crites,<br>CFO; Steve Urlacher, COO; Owen Strecker, Jr., sales man-<br>ager, Danny Camp, director of sales        |
| 16      | Adleta Corporation<br>Carrollton, TX<br>972-620-5600<br>adleta.com                               | \$115.0 | \$107.0               | Jack Adleta, chairman/CEO; John Sher, president; Skip<br>Graves, senior VP, finance                                                                                  |
| 17      | Reader's Wholesales<br>Distributors, Ltd.<br>Houston, TX<br>713-224-8300<br>readerswholesale.com | \$86.0  | \$83.0                | Lucky Burke, CEO; Adam Burke, president; John Foley,VP,<br>Armstrong division; Kirby Jones, SVP Southern Traditions                                                  |
| 18      | Swiff-Train Co.<br>Houston, TX<br>713-937-1448<br>swiff-train.com                                | \$85.0  | \$80.0 <sup>(R)</sup> | LA Train, president/CEO; Kenneth Train, EVP sales &<br>marketing; Jeff Train, VP operations; Don Evans, VP sales &<br>marketing; Jonathan Train, VP development      |
| 19      | T & L Distributing Company,<br>Inc. Houston, TX<br>713-980-2175<br>Tldistributing.com            | \$84.0  | \$84.0 <sup>(R)</sup> | Bob Thomas, chairman; Jeff Thomas, president; Bob Eady,<br>SVP sales & marketing                                                                                     |
| 20      | Elias Wilf Corporation<br>Owings Mills, MD<br>800-642-9453<br>flooryou.com                       | \$81.0  | \$84.0                | Arnold Cohen, chairman; Jeff Striegel, president/CEO;<br>Hillard Cohen, EVP; Rich Kearsley, SVP sales                                                                |
| 21      | Southern Wholesale<br>Flooring Co.<br>Kennesaw, GA<br>800-282-7590<br>swfloor.com                | \$72.4  | \$69.6                | Dennis Harrison, president; Delinda Kilgore, vice president;<br>Sandy Fowler, VP sales                                                                               |
| 22      | Tingle Flooring<br>Lees Summit, MO<br>816-524-9555<br>wctingle.com                               | \$71.0  | \$66.0                | Chip Moxley, president; Tyler Barr, sales rep manager;<br>John Reinhold, sales rep manager; Tom Kennedy, sales rep<br>manager                                        |
| 23      | Longust Distributing, Inc.<br>Mesa, AZ<br>480-730-3380<br>longust.com                            | \$70.0  | \$68.0                | Steve Wallace, CEO; Drew Mittelstaedt, president; Bo<br>Boberz, CFO; John Laird, COO                                                                                 |
| 24      | Jaeckle Distributors<br>Madison, WI<br>608-838-5300<br>jaeckledistributors.com                   | \$58.6  | \$55.I                | Jeff Jaeckle, president; Torrey Jaeckle, VP; John Apple, SVP<br>sales & marketing; Brad Simonson, CFO; Bill Simonson, VP<br>of operations                            |
| 25      | Cain & Bultman, Inc.<br>Jacksonville, FL<br>904-798-1000<br>cain-bultman.com                     | \$53.0  | \$52.0                | Michael Sandifer, chairman/CEO; Buddy Faircloth, pres-<br>ident; Kirk Sandifer, EVP; Nick Melnyk, VP; Paul Roark,<br>manager Armstrong Floors                        |

# **Inside leading distributor MSI**

### Laser focus, family strength and building the team

### By Megan Salzano

[ORANGE, CALIF.] "All of our vacations growing up were in the station wagon taking samples to customers," said Rajesh Shah, co-president, MS International (MSI). "At night, we watched our parents typing invoices on a broken typewriter."

What started in 1975 from these humble beginnings has grown into the industry's leading distributor of tile and stone with 19 locations throughout the U.S. and Canada.

MSI, in fact, has seen major advancements since delivering samples out of the family station wagon. In 2013, it posted \$560 million in sales and it is projected to reach \$670 million by the end of 2014.

"We are looking at how we can grow in the long term," said Rajesh Shah. "How do we

keep strengthening the foundation so that the this is through continued geographic expantop can continue to grow without any issues." He added that the company looks for products that will produce more than a one-time sale.

MSI focuses on growing the market, said Rajesh Shah, rather than fighting over market share. "The best way to get volume is to get more people who want to buy your product, not necessarily less people buying a higher price for it," he said.

Rupesh Shah, co-president, said he believes MSI is still in the early stages of growth. "Although its 10 times larger than when we both officially started at MSI, we think we can continue to grow the business in double-digit rates for the foreseeable future, and that means we should double in size again in the next five to seven years, and that's our goal."

One way the company hopes to accomplish

sion. In 2003, MSI had three distribution centers, and has since opened 16 more. "And that was through the economic recession," Rajesh Shah said. "We can easily get to 30-35 without even thinking about it, and we can serve our customers better by being closer to them."

He said that the company would like to open two to three distribution centers a year but, "will always continue to be very disciplined about that and make sure everything is working before we move on to the next one."

Added Rupesh Shah, "We believe we have several more years of continued geographical expansion in the U.S., but it is foreseeable that we move into international markets," he said.

Rajesh Shah noted that at MSI, it is just as important to know when to say no as it is to say yes. "We get business opportunities all the time, and to us, on the margin, it would all be profitable. But if we focus on that opportunity what is it going to take away from?" he said. "If it's not going to be meaningful, why are we spending time on it? What is the ultimate goal? If it's just profitable in the short term, we won't do it."

He also said that much of the company's growth over the past decade would not have been possible without the team. "My father, brother and I can have that dream, but you need a team that can execute it," he said. "We've entered many new product lines over the last 11 years and without a competent team in place we never could have executed that."

Rupesh Shah added that the company is still very much a family-owned business. "We strive very hard to keep a culture and atmosphere of what it was when I formally joined the business and we only had a 100 employees," he said.

One of the company's biggest accomplishments was not laying off anyone during the downturn. "We were financially sound, did not have excess manpower, had the right business model and believed we had the ability to grow out of the downturn," Rajesh Shah said. **FCW** 

### Editor's Note: Why MSI?

# Up close and personal

Rajesh and Rupesh Shah were named co-presidents of MS International (MSI) in 2012. According to Rajesh Shah, one major accomplishment for the brothers was that, when they were named, nothing changed. "Every company with a change in management and or a growth of a company has a change of personality typically, and we didn't allow that to happen," Rajesh Shah said.

They were able, he said, to increase the company's number of distribution centers, products and employees while continuing the same disciplines and family atmosphere. "That was a big challenge, and we're very proud of continuing it so we could continue the same legacy my parents had, the philosophies and the company mottos," Rajesh Shah said.

Rupesh Shah added, "I don't think I view it as all of a sudden I've become co-president and that's how I measure my performance. I think it's been evolving. It's also the family run



Rajesh Shah

business so becoming co-president has its own set of responsibilities."

Rajesh Shah said the brother's evolution within the company could be viewed in phases. The first phase? Learning everything.

"The second phase, and we continue in this phase, is a lot of day to day responsibilities, operational responsibilities. So our goal, which we've started but would like to



**Rupesh Shah** 

continue, is to reduce our day to day operational responsibilities."

Rajesh Shah said the brother's would like to spend their time thinking about where the industry is going to be five to 10 years out and what kind of role MSI could play in that industry. "Once we have that blueprint in place, then we would like to have a team in place that could execute it," he said.

Rajesh and Rupesh Shah agreed that the family finds it difficult to separate from their work, but that's not a bad thing.

"From the day we were born, this was going on around us. Honestly, we don't know any different. For us it's become so intertwined," said Rajesh Shah.

Rupesh Shah added, "Business is challenging but a family business atmosphere where everyone is fully committed and fully involved eliminates most issues. I think because we talk so regularly, and we build consensus, not just among the three of us but among our senior management, before we go and make decisions there's very few big

As you can see, we've chosen to include MSI stone and ceramic tile on our list of Top 25 Distributors. Despite the fact that MSI is not a full line flooring retailer, it is a national supplier of stone and ceramic tile to everyone from Home Depot to your local mom and pop retailer. It has 19 distribution facilities throughout the country, has reported sales of more than \$600 million and supplies product that it sources from all over the world to a multitude of market segments. That's why.

picture items we disagree on."

Manu Shah, founder and CEO of MSI, is still full time in the company, and handles many corporate initiatives including the company's large IT department, Rajesh Shah said. "All three of us trust that the other two are completely capable," he said. "There are many lively debates, which is ultimately good for the company. It ensures that we are looking at everything before moving forward." **FCW** 



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