

THE WHOLESALE

News of Plumbing • Heating • Cooling • Industrial Piping Distribution



**Incorporating our
2010 -11 Listing of
Manufacturers'
Representatives!**
Section begins on page 34.

Among the Executive Committee of the Association of Independent Manufacturers Representatives are (front row, from left): Alan Guidish, CPMR, Preferred Sales; Ken McGregor, CPMR, McGregor & Associates; Mike Parham, Pepco Sales; (and back row) Steve Fleming, CPMR, Reid Pacific Co.; and Mark Creyer, L&R Associates. See Mary Jo Martin's Q&A with AIM/R president Mark Creyer beginning on page 89.

To offset emissions from transport...

TOTO adopts carbon neutral shipping

MORROW, GA. — TOTO USA has further expanded its sustainable logistics initiatives by adding UPS's new carbon neutral shipping program to its energy-efficient

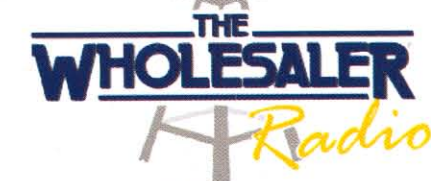
supply chain.

Adding this program to its sustainability practices enables TOTO to offset the carbon dioxide emissions generated by the transport of its small package shipments within the U.S. A deciding factor in the company's decision to adopt the new initiative is the fact that the program is verified and certified by independent third-party

testing companies. TOTO expects to ship 75,000 carbon neutral packages in the first year.

TOTO continually strives to reduce its carbon footprint and exceeds many standards for green manufacturing in all of its facilities. Not only are these plants approaching "Water Neutral" status, they have also used the following methods to reduce all waste streams to nearly zero:

- Imperfect and damaged china is crushed
(Turn to Serious about... page 95.)



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92.

LENOVA
7 ELEMENTS OF SINKS

Company founder Chris Li and national sales manager Jim Wong operate Lenova on the philosophy of providing the maximum profitability to showroom dealers while saving consumers significant cost compared to the competition.

The end of sticker shock

Lenova puts affordable price tag on luxury-inspired sinks

It's a common scene played out in plumbing showrooms around the country. A customer walks in with a "dream sink" in mind but is soon struck with the reality of the high price tags attached to those high-end sinks.

That's where Lenova comes in — with its beautifully hand-crafted sinks made of polished stone, exotic bamboo and hammered copper. But without the high price tag.

Lenova aims to give consumers a lower-priced option without sacrificing one bit of the style or quality they have been envisioning. Though the company is just three years old, it is already making a name for itself as it sets out to prove that it can not only compete but thrive in a highly competitive industry.

It's a story that channels a bit of the David-vs-Goliath saga, but reality is not far off the mark. It all began with company founder Chris Li, who had two PhDs and an extensive background in sink manufacturing. Li spent 15 years running a successful company that created custom sinks under other brands and sold them to designers around the world. Eventually he came to realize that he could create his own brand and target his product line to tap into an under-served market for affordable luxury sinks.

In 2007, that dream became a reality and Lenova was born. From the beginning, the company was different. The name itself was inspired by the celestial brightness of nova stars. Lenova consid-

ers itself to be a new star in the kitchen and bath industry, made unique by its emphasis on quality of materials, variety of exceptional designs, and unflagging commitment to customer service.

How Lenova succeeds

Less daring people might wonder about starting a new venture in the midst of a troubled global economy. A true entrepreneur, Li saw it as a challenge and an opportunity. "An economic downturn is a great chance for young companies like ours," he enthused. "A new model of the kitchen and bath industry will emerge as the recession ends. Older companies cannot adapt to change quickly. At Lenova, we can react rapidly to market changes and consumer demand, which gives us a great advantage to grow even more in the months and years ahead."

One approach the company has used to encourage sales can be boiled down to a simple equation: Benefit – Cost = Value. According to Al Rykus, co-owner of Elite Brands Sales & Marketing, Lenova's "peeling back the onion" philosophy equates to providing maximum profitability to showroom dealers, yet saving consumers significant dollars compared to the competition.

"Lenova is a manufacturer, while some of our competitors are importers. That often adds costs to their product line. Meanwhile, our quality is the same, if not better, than the brand-name companies, and our design options are unparalleled," said Rykus. He gives credit for rising sales numbers to the showroom associates who are able to walk consumers through the design process and reveal the benefits and value of the Lenova line.

Working with Big Box stores was never part of the Lenova business plan. Management knew that the outstanding features, advantages and benefits of Lenova products needed to be explained to consumers, making a knowledgeable salesperson vital to the company's success. "When a customer goes into a showroom and suffers 'sticker shock' over some of the premium brands on the market, Lenova gives the salesperson a quality product to offer that is

just as luxurious but with an affordable price tag," said Jay Beaumont, director of marketing and operations.

Lenova has quickly earned a loyal following from consumers who appreciate the high quality and the high-end design of Lenova sinks as well as from wholesale dealers who enjoy the company's "one call does it all" approach to doing business.

"Our company comes from the idea of function and beauty," said Li. "We work very hard to control costs and overhead so we can bring reasonable prices to dealers and consumers. Customer service is as important as our products. We strive to be seamless from the processing of an order to product inspection to the correct billing. If someone has a problem, we take care of it quickly. Our goal is always to offer outstanding customer service, profitability to our industry partners, and maximum value to the consumer."

Unrestrained style

Lenova's creativity is not limited to a single style or look. Instead, their sink collection runs the gamut from functional commercial-style stainless sinks for residential use to a whimsical Bronze Oyster sink that was introduced at the 2010 K/BIS. New designs are added on a regular basis as the company actively solicits feedback from the design community. Ideas for new sinks and refinements for existing ones come from everywhere — from sales associates and customers to kitchen designers and architects.

"We don't want to be constrained by one style. Our goal is to have a wide range of products that designers turn to



Lenova's whimsical Bronze Oyster sink is one example of the company's creative use of materials and a strong sense of design.

first to find the style they wish to use," explained Beaumont. "We are open to outside design ideas and eager to find new alliances that will enhance our product line. The most recent example of this is Lenova's partnership with the Seamless Sink Company and our adoption of a new kind of drain and strainer basket system that is both elegant and easy to clean."

Sensational sinks

Lenova's collection of luxurious sinks pays tribute to the elements, capturing the strength and beauty of each and translating them into all manners of sinks, bowls and basins that can be used throughout the home.

- **Stainless Steel** – Using only premium 16 or 18 gauge steel, Lenova borrows from the past with hand-finishing techniques to create a decidedly contemporary line of work-horse sinks that can keep pace with modern life. One of the newest offerings from this collection is the Entertainer, a 30" multi-functional sink that can serve as a wine chiller, a food prep sink or a clean-up center. The whole sink disappears under an ingenious two-piece



BY LINDA JENNINGS
Special to THE WHOLESALER

cutting board to preserve counter space when not in use. There are many other designs to choose from as well, including the sleek lines of a zero radius design, a more traditional apron style and a bath collection with a variety of sculptural shapes and curves. All offer a scratch-resistant surface and five-side sound baffling.

- **Porcelain** – Lenova's premium porcelain is manufactured in a small town with more than 400 years of porcelain-making experience. Each sink is crafted from the company's own formula of high-quality fine porcelain clay with special materials, molded to shape and heated to over 2400°F. The finished result is a beautiful line of porcelain sinks with unmatched durability and translucent beauty. Of particular note in this collection is the Celadon Lavatory Sink, a delicate green-hued ceramic basin that is wrapped in a bamboo-esque texture.

- **Bamboo** – Exotic and unusual, this collection has garnered a lot of attention from designers and consumers. Lenova is the first company to use eco-friendly bamboo as a material for kitchen sinks, and their farm-style bamboo sinks are completely unique to the market. Besides being a sustainable product, bamboo is surprisingly durable, brings natural warmth to the décor, and is available in a variety of shapes as an above-counter lavatory sink.

- **Copper** – The rich natural beauty of these sinks will only improve over time as the copper ages and develops its own unique patina. Each sink is crafted from the finest 15-gauge copper and hammered by hand for added strength. Copper is naturally hypo-allergenic, recyclable and lead-free, making it a fitting choice for either the kitchen or bath. One of the most eye-catching designs of this group is a large apron style undermount kitchen sink with intricate detailing along the front. Choose from an oil-rubbed bronze finish or antique copper finish.

- **Stone** – Lenova conducted a global search to find the most beautiful stone in the world to create their sinks, traveling to India, China, Pakistan, Italy and Brazil. The result of their travels is a wealth of stunning granite, marble, onyx and travertine. The painstaking creative process begins with a solid block of natural stone that is carefully shaped and then polished (Turn to Affordable... page 94.)



Lenova is a manufacturer and maintains a warehouse to serve clients; the company prefers to deal with distributors that can show customers its products in a showroom setting.

'Voice of the Customer' is heard loud and clear at Masco Bath

(Continued from page 93.)

tion operating companies, who are also our customers. Ultimately, what it keeps coming back to is the importance of getting design professionals involved at the front end. Industrial designers are the vehicle through which form and function come together."

A significant example of how VOC resulted in new product development is Masco Bath's collaborative effort with sister company Delta Faucet on a line of universal design bathing systems. This was driven by the rise of the aging-in-place movement as many baby boomers are becoming cognizant of how universal design products can simplify and often

enhance their lives.

"The comprehensive VOC approach we used during this effort encompassed all of the major research methods at our disposal," noted Gorman. "In the end, Masco Bath has pioneered new universal design bathing systems that meet the needs of customers while affirming the essence of the Delta brand — living and experiencing water in a smarter way. The products support the brand message because they are a true indication of where remodeling trends are going and, most importantly, because they appeal to and accommodate people regardless of age or ability.

"We also believe that, as we look to differentiate ourselves from the very wor-

thy competitors in bathing systems, it's paying attention to the trends that we've uncovered in the VOC process — and incorporating these trends into our new product development — that is going to make us stand out. We must successfully execute the VOC discipline to compete at a very high level and ultimately be a user-preferred brand."

The last few years have been especially challenging for those in residential construction and have forced companies to take a hard look at how they are structured and how they are serving their customers.

"We've looked within ourselves as an organization and really emphasized the 'why Masco Bath' story," Gorman said. "We're focusing on what makes us different. We respect the fact that our customers are very conscious about their, and our, spending. We want them to choose

our products not only because of what they are but who we are as a company. We've got to be dead-on strategically and execute flawlessly. The VOC initiative is a critical part of establishing ourselves as an innovative organization. It is a big part of our relevance, whether it involves innovations that serve emerging demographics or those that provide for greater sustainability in building products."

As Gorman explained, VOC is all about developing products that are inspired by customers, moving beyond features to the underlying and unspoken needs that are driving those customers. "At the heart of VOC are the wants and needs of our customers," he said. "It's cross-functional, it takes time and it's not cheap. But done correctly, it's worth it." ■

Visit www.mascobath.com.

Affordable luxury from Lenova

(Continued from page 92.)

by master artisans. Design options in this group include a classic above-counter vessel sink for the bath, or a spacious kitchen sink with smooth, textured or etched apron.

• **Glass** — Tempered for strength, designed for beauty, Lenova's glass sinks for the bathroom are true works of art. Each sink passes through an 11-step process and goes through many skilled hands along its creative journey. Choose scalloped edges or a simple bowl, clear glass or a whole rainbow of colorful options.

• **Composite** — A combination of science and nature, this remarkable collection features sinks that are indestructible and recyclable. Comprised of NovaGranite, a mix of granite powder and other natural ingredients, these sinks work hard and look good. They are built to exacting standards with practical features — like a roomy double bowl undermount kitchen sink — that can easily keep up with even the most serious chefs.

On being green

Lenova recognizes that "being green" has to be more than just a marketing ploy designed to attract eco-savvy consumers.

Toward that end, Lenova implemented sustainable practices through every phase of its manufacturing processes. All of their production facilities employ comprehensive recycling programs that recycle everything from metal scraps to wash water. Their line of durable composite sinks is recyclable as well, made from granite powder and other natural materials. When it comes to their popular line of bamboo sinks, the company sources product only from plantations with renewable growing practices that let the Moso bamboo mature at least five years to ensure greater stability. Lenova also has a program that donates \$10 from the purchase of every bamboo sink to Pandas International. The success of this outreach

has allowed the adoption of a female Panda cub, fittingly named Lenova.

The mantra at Lenova is "plan for the future — now." Li and his board of directors are constantly striving to keep ahead of growing sales by aggressively expanding their inventory. Other areas targeted for action include increasing their customer service and warehouse staffs and looking for new ways to improve warehouse efficiency. Of course, the search for design ideas and materials for new sinks will continue as well. That creativity is the lifeblood of the success that is Lenova. ■

Visit www.lenovasinks.com or call 877-733-108.

HD Supply sees itself as a big grouping of small local businesses

(Continued from page 91.)

MJM: Several years ago there was talk that Watsco was interested in your HVAC division. Are you at all interested in any divestments at this point?

Stegeman: We'll continue to grow our HVAC business and make it a strong business unit for us. It's not an easy business unless you have some scale, and Watsco is undoubtedly a big player in that market.

I tend to categorize it as a tier one business relationship. Market share is a key component toward realizing success in that sector. If you have a lot of market share and the right lines for the geography you'll get the next order. There have been a number of changes to efficiency standards that is providing opportunity for residential and commercial customers to upgrade their systems and increase efficiency. We must align ourselves with the right vendors to be successful.

MJM: I'm sure managing such a large organization during the economic times we've experienced these last few years has been a challenge. What are some of the initiatives you've implemented to trim budgets and operate lean?

DeAngelo: We launched a cost-saving initiative called the Bullet Train. During growth periods, you build up expenditures, but as your market shrinks you

have to look at what costs you can cut back on — things like facilities, people, labor and more. It is management's job to make sure that we are operating at maximum productivity. We've spent a lot of time over the past few years looking at productivity across the board. We're also looking closely at things that are non-essential to customers, as well as direct versus indirect costs.

The Bullet Train is used by every department and gave us a chance to look at the costs that didn't make sense. We've made incredible progress in eliminating the excess spending that was taking place. So far, we have saved over \$100 million. We look at it as a never-ending process and will continue this focus even after the economy rebounds. That savings is actually a growth activity that frees up cash we can invest in our customers and grow our business.

MJM: When you look at the company in total, what is it that you believe separates HD Supply from other distributors in our industry?

DeAngelo: We simply say that we want every customer interaction to be something that is worth repeating for them. If you look at our leadership, we focus on getting better at five things every day:

• **Significant relevant experience** —

Take on the hard jobs, learn something that you didn't know yesterday and then apply it

• **Getting results** — Having the tenacity to accomplish your mission with highest level of integrity

• **Initiative** — We want everyone on our team to act fast in two areas; if something is not right, correct it immediately and also be first to act on significant opportunities, both of which will endear you to customers for life

• **Teamwork** — Working together across all levels of the organization to support each other, our vendors and our customers

• **Talent** — We want everybody on the team to be a talent magnet; be the person everyone else wants to work with.

We believe we are creating something very special here at HD Supply. We've accumulated and aggregated great businesses that are based on great people. At the heart and soul of our company is having the right products at the right place at the right time to make customers' success happen.

MJM: What are you anticipating when it comes to economic recovery over the course of the coming year or two?

DeAngelo: From our viewpoint, by the time we get into the back half of 2011, all of our sectors will be back at full strength. Commercial construction is our weakest segment right now. Residential is coming back nicely and will be realizing

strong double-digit growth in years to come. I am extremely optimistic about how our teams are driving and gaining momentum on a daily basis. The markets are okay and we are cautiously optimistic about this current recovery. Our singular focus right now is on growth. We've got the right people on our team to make a difference.

Stegeman: When you show your team that the company is taking on new initiatives, it gives them confidence. I'd like to see the government and banks get on same page; that's got to fix itself a little before we see a sustainable recovery. People are ready, businesses are anxious, and we're being held back in many regards.

As I've traveled, I've been pleased to see homebuilders building homes again. While there is still excess inventory from being overbuilt in some markets, we're moving in the right direction. Our people see and feel that, which drives their enthusiasm for the future. Overall, there is significant opportunity out there for us and other players in our industry to grow.

I am humbled by the opportunity we have. It is so fulfilling when you can do something that allows you to continue learning while making a difference in others' lives. I am surrounded by some of the smartest, hardest-working people in this industry. What more could I ask for? I am very inspired by the team around me and the opportunities in front of us each day. ■