

MEMBER TRI-LIFT NC, INC. PROFILE

TRI-LIFT NC, INC.

Rental strategy keeps distributor steady no matter the economy.

When Bob Bond left the military in 1988, he was thirsting for the opportunity to put roots down somewhere. “Three years was the longest I’d ever lived in one spot,” he recalls. After working in his wife’s family-owned company, Tri-Lift Inc., for a few years, he and his wife left the Northeast for North Carolina.

Now he’d found his home, but sought more from his new life. He contacted his father-in-law, Sal Murgo, and asked for the chance to open a Tri-Lift branch in Greensboro, North Carolina, in 1992. Bond asked for one year to make the company profitable, or else Murgo could shut down the branch. “He was gracious enough to look at my business plan and say OK,” Bond says. The branch was profitable after 12 months, and the rest is history. “The market was growing back in the early 1990s, so we were fortunate with our timing.”

By 2003, the Greensboro branch was ready to be spun off into its own company, Tri-Lift NC, Inc., and the company has been in growth mode ever since. Bond, now president, estimates that the company has more than doubled in volume since the spin-off, from \$3 million to roughly \$6.6 million last year. Bond attributes such growth to a company credo: “Tri-Lift NC is a company large enough to fill all of the customer’s material handling needs but small enough to give local, personalized service.” Bond and his employees embody that motto and strive to serve customers accordingly.

COMPANY CULTURE

The ability to do so is helped by the company’s small size of 32 employees. “We pride ourselves on being able to make decisions very quickly,” Bond says. “I am made aware of any problems in the field quickly, so the customer has easy access to the owner if an issue crops up.” The sense of customer service that permeates the organization also extends to employees, many of whom have been around since the company’s inception as a branch in 1992. In fact, the average employee tenure is eight to ten years. “The atmosphere you create within your dealership is

just as important as benefits and pay, maybe more important,” Bond says. “Our employees realize that we’re not disinterested investors who don’t care about their livelihoods. We’re working with them side by side, trying to grow the company.”

Camaraderie is important, but it’s also essential to hire good people in the first place, which Bond does by focusing on integrity above all else. “We really ask a lot of questions during interviews to look for strength of character,” he says. “If I hire someone and put them in front of a customer, he or she needs to be good for their word.”



The Greensboro, North Carolina, headquarters of Tri-Lift NC, Inc.



Tri-Lift NC's management team (l-r): Sales Manager Lee Marsh, Manager of Information Systems Byron Shore, Rental Manager Mo Caldwell, Controller Karen Bond, President/GM Bob Bond, Accounting Manager Kristi Tucker, Service Manager Mike Beehler and Parts Manager Kerry Grindstaff

PAYING THE RENT THROUGH RENTALS

Another reason for Tri-Lift NC's rapid growth is its reliance on rental business, which makes up about 22 percent of the company's total sales revenue. When he first started the branch in 1992, Bond deliberately focused on long-term rentals as a way to establish a customer base. "We did not have any customers. We had to start some way, and it's not easy to sell people equipment unless you're offering the lowest price. But that's not how we want to sell ourselves—not then and not now," Bond says. "Rental became our vehicle to get into customer locations because the monthly rate was more palatable than the purchase price."

The strategy paid off early on, and it continues to pay dividends now. "If you're only focused on sales, business is only good when the economy is good. There's nothing to create guaranteed cash flow," Bond explains. Rentals have become such a big part of the business that last year Bond built a new 4,500 sq. ft. warehouse specifically to house the rental fleet of nearly 200 units, including forklifts and aerial lifts from various manufacturers. Too much equipment was being stored outside, and the company was spending a lot of time cleaning and preparing the

machines before renting them. The new warehouse sits on the same three-acre parcel of land, adjacent to the main 20,000 sq. ft. headquarters building.

And it's not just short-term rentals; Tri-Lift NC does a lot of long-term, multi-year rentals. The average long-term rental agreement lasts 60 months, with some as long as eight years. "We do rent by the day, week or month, but most of our contracts are much longer. Once the rental term expires, those trucks become part of my

COMPANY SNAPSHOT



tri-lift nc, inc.
MATERIALS HANDLING EQUIPMENT

President: Bob Bond

Year Founded: 2003

Year Joined MHEDA: 2006

Headquarters: Greensboro, North Carolina

Employees: 32

2007 Sales: \$6.6 million

Web Site: www.tri-liftnc.com



Tri-Lift NC has invested in its facilities to provide a nice working environment for employees in the service shop.

used fleet. I don't buy a lot of wholesale equipment for retail," Bond explains. He admits that this strategy requires patience and foresight. "You really need to look long-term. When you put a truck on a long-term rental, you're only getting a little profit each month, and you have to be focused on that customer," Bond explains. That's one reason Bond is focused so heavily on customer service. "The customer is taken care of, and then if we take good care of the equipment we still have a premium product we can sell on the used side."

The company's focus on rental is so extreme that only four of its 32 employees are salespeople. Ten are office administrative staff; rental and service technicians and truck drivers comprise the rest. "I'd say we're a very rental-focused company as opposed to a sales-focused company. Our priorities are rental, parts and service," Bond says.

Rental technicians are a key to Bond's strategy. Entry-level technicians maintain the rental accounts—"We want them to work on our equipment before they work on customer-owned equipment," Bond explains—to gain experience. Then after three or four years, the technicians have the choice to move on to customer accounts. "It's a kind of training program for our service department. The rental technician doesn't have the same pressure as a customer-billable technician, and he can learn the trade. It's a built-in career path."

UNDERSTANDING THE MARKET

The numbers bear out the success of the business model. Tri-Lift NC has increased its market share in 2008, despite overall ITA numbers that are down nearly 50 percent from 2007 in the 14-county Piedmont region where the company does business. The construction of a

new interstate loop around Greensboro and a FedEx hub coming to the area portend more positives to come for Bond and his company. "It's a good market in an area that's growing," he says. "In the next five to ten years, we're going to see even more growth with all the logistics that will be brought into the area."

That marks a change of sorts, as Greensboro has traditionally been a hub for the manufacture of textiles, furniture and tobacco. "Those areas are all suffering, so we really have to look for any and all business that's out there. We can't focus on any one category anymore," Bond says.

The same is true from a product standpoint. Bond estimates about

85 percent to 90 percent of the company's business is lift trucks, but "we're a full service material handling company, so we sell racking, shelving and conveyor systems." Bond relies on vendors to teach his salespeople to sell multiple product lines. "By focusing on the strong manufacturers out there, they help us sell their products."

Tri-Lift NC took on the Clark lift truck brand in 2006, another reason Bond is excited about the company's future. "Clark is a fantastic brand and the people have been great to work with. That's really helped us grow in the last couple of years," Bond says. In addition to Clark, Tri-Lift NC also sells Genie and Haulotte aerial lifts.

BRANDING THE COMPANY

Bond is proud to represent the products he does, and he knows they are quality products. Even so, he is trying to steer clear of marketing his distributorship solely through his manufacturers. "One of my main focuses is to try to brand my company by establishing the name Tri-Lift NC as a recognizable brand in the market as opposed to leaning just on the manufacturers I represent," he explains. "As a small distributor, if you only lean on support from your manufacturer, you're pretty much done if that manufacturer falls on rough times."

Therefore, Bond has used various marketing tools to brand his distributorship and the name Tri-Lift NC. To help drive people to the company Web site that was established in 2007, Bond made sure all company literature was tied to the Web site with a common look. Although the site does have a link to the company's product catalog, Bond doesn't focus too much on the e-commerce arena, preferring his salespeople to contact a customer in person. "We do not try to sell a lot of material handling products online," Bond says. The company's service

vans were redone to assure that the Tri-Lift NC name was more prominent than the manufacturers' names. Bond also relies on direct mail, working with a marketing company specifically dedicated to the material handling industry to formulate a series of nine direct mailings throughout the year. "We're constantly hitting the market with Tri-Lift NC literature," he says.

Bond is also a proponent of outfitting employees with the most current technologies. "We've really pushed to get all our technicians on laptops and utilize the software programs that are needed to diagnose equipment properly," he says. "It's critical to keep our guys current and comfortable using laptops. Even though we're a small organization, we have to bite the bullet and get those guys the tools they need to diagnose equipment properly."

Salespeople also receive laptops, complete with an open-source customer relationship management pro-

FUTURE

Other expansion opportunities may be on the horizon as Bond looks to continue the company's impressive growth. "I'd like to have another location, but I'm not somebody who needs bricks and mortar," he says. "I'd rather stay strong at this location and continue to get good market share and be profitable if it's not a perfect fit. But, of course, I'd like to be able to extend into additional markets." Ideally, he says, he'd like to expand north into Virginia, and is presently pursuing options in that market.

Another path to continued growth is through the aftermarket. "Margins on equipment sales are becoming skinnier and skinnier, so if you're not growing the aftermarket, you can't be profitable," Bond says. "We're always trying to improve our aftermarket services."

Earlier this year, Bond hired a new service manager with more than 20 years of experience to bolster a strong service staff. Along with an increased customer base and battery business from the Melton acquisition, Tri-Lift NC is poised for growth. "It all comes down to getting as much service and rental business as we can to help drive profitability for the company. I'd rather have technicians out there taking care of customers' equipment and establishing our credibility as a service provider. That will allow us to generate equipment sales that are not dependent on price alone," he says.

It's a bold strategy, but Bob Bond and Tri-Lift NC are making it work. Tri-Lift NC was named one of Clark's three Dealers of Excellence in North America for 2007, and Bond expects the success to continue. That's why he's so willing to re-invest in the company. "We really focus on trying to create a great atmosphere at Tri-Lift NC. We've invested heavily in order to have a beautiful state-of-the-art facility with indoor overhead cranes, indoor paint booths, steam cleaning and water-separating operations," Bond says. "We've invested in a lot of tooling and equipment that make employees' jobs easier. We take a lot of pride in the way our facilities look and the support we provide for the people who work here. We try to be a much larger company than our numbers indicate because we've invested in people and facilities to create that kind of environment."



Earlier in 2008, Tri-Lift NC completed a 4,500 sq. ft. warehouse strictly for its rental fleet.

gram called Sugar. It's customized so that salespeople can pull specific information to manage their customer base, track their calls, and organize their follow-ups and quotes. "We're trying to make sure that they have access to as much information as possible on the account base in order to cover their territory better," Bond says.

Earlier in 2008, Tri-Lift NC acquired select assets of Burlington, North Carolina-based Melton Industrial Trucks, including a battery line, three forklift technicians and one battery technician. Melton, a TCM dealer, had been in the market for 30 years. "The acquisition adds an excellent staff of technicians to our team and a loyal customer base," Bond says.

