

MAINTENANCE SALES NEWS



6 Distributors

Talk About Finding
That Niche For
Success

Acorn Distributors

**Indianapolis Distributorship
Serving Jan/San, Foodservice**

Executives Discuss

What's New In Paper & Marketing



ACORN Distributors, Inc.



30 Year History Of Growth In Indianapolis Serving Jan/San, Foodservice Markets

Among the staff at Acorn Distributors are, front row - left to right, Carolyn Morris, accounting; Sheila Poad, controller; Teresa Stogsdill, accounting; and Jennifer Rosenberg, president. Shown in the back, left to right, are Lisa McVey-Berta, accounting; Al Wachter, owner; Samantha Jacobs, accounting; and Jamie Steckler, accounting.

By Harrell Kerkhoff
Maintenance Sales News Editor

Thomas Fuller wrote well over 200 years ago, "The greatest Oaks have been little Acorns." This famous verse can relate to many things about life, including the growth of a business. For the past 30 years, **Acorn Distributors, Inc., of Indianapolis, IN**, has grown from humble beginnings to become a major Midwestern jan/san and food-service distributorship.

The company has grown in both physical and economic stature over the years by putting customers first, providing top-quality products and services, and maintaining a loyal customer base.

"We don't take any customer for granted. The company's ability to serve, whether it's from our customer service personnel, drivers, sales people, etc. — it's all a team effort," **Acorn Distributors CEO Al Wachter** explained. "If one of these dominoes fall, such as a driver being rude or someone in customer service not doing a good job...we could lose an account.

"It's important to offer a package deal with both products and service. That is our culture."

Wachter co-founded the distributorship in 1976 and purchased the company outright over two decades later. It now features second-generation leadership as **Jennifer Rosenberg**, Wachter's daughter, was named Acorn Distributors **president** in January 2006.

Rosenberg agreed with Wachter's assessment that customer service and a loyal employee base are of para-

mount importance to the company.

"We wouldn't be where we are today without our customers. Also, each one of our employees has a significant role as our products get to the end-user, whether it's unloading the truck, receiving an order, purchasing products or doing some other type of task," she said.

Wachter added that employees at Acorn Distributors

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— Acorn Distributors CEO Al Wachter

are viewed as equals, whether it's a driver, distribution worker, customer service person or sales person.

"Nobody is on a pedestal. You won't find the title 'CEO' on my business card," he said.

Planting The Seed

Located not far from the Indianapolis International Airport, Acorn Distributors moved into its current 108,000-square-foot facility in 2000, the third facility in the company's 30-year history.

"We have moved three times, from buildings of 26,000 and 54,000 square feet to our current location. Our newest building is a palace compared to our other loca-

tions," Wachter said with a laugh. "I think only those people who have worked for the company at the other locations truly appreciate what we have here.

"Hopefully I'm done moving. It's the job of the second generation to move to another place if the need arises. However, I don't plan to retire anytime soon. I don't play golf, so I have nothing else to do."

Although Acorn Distributors started in November 1976, Wachter's background in the distribution industry dates back to 1964. Originally from Milwaukee, he worked for a paper distributor for 13 years and eventually wanted to purchase the company himself. When the owner declined to sell, Wachter decided to start a new company with a partner.

"There are too many mergers and acquisitions in this business. I wanted to control my own destiny, so in 1976, I helped start Acorn

Distributors," he said.

Despite what some who know Wachter and his company may think, the name Acorn didn't derive from a past employer.

"I had worked for another company by the name of Ochs (pronounced Oaks). There are people who have thought that our company's current name was derived from Ochs, aka acorns come from oak trees. But this is not how our name really came about," he said. "We felt that when advertising in the phone book at the time, when people wanted to look for supplies, they would naturally start in the 'A' section. Therefore, we chose the name 'Acorn,' although the other story sounds better."

Although Acorn Distributors has had three homes in its

30-year history, it has remained in Indianapolis, which both Wachter and Rosenberg feel is a great place to call home and run a business.

"Indianapolis is centrally located in Indiana, which is an advantage for us. And we cover over 20 states, all from our one facility," Wachter said. "Our city is a great place to live and raise a family. Plus, we have the (NFL Super Bowl champion) Colts.

"Indianapolis has grown and become more sophisticated over the years. It's a nice city and conveniently located."

Wachter described Acorn Distributors as a company with two specialties — jan/san and foodservice.

"They are related. We started in foodservice and have grown; our growth has been in jan/san."

To help accommodate this growth in jan/san, the company began offering a service center three years ago where two technicians work on floor equipment and related items.

"We wanted to be able to service the products that we sell. We can service any type of janitorial equipment, either on site or at our facility," Rosenberg said.

The company will also service products that its customers have purchased from other distributorships.

"We can sell and/or service almost all brands of equipment," Wachter added.

Servicing equipment is just one of many ways that officials of Acorn Distributors can meet the growing needs of the company's customer base. Being diversified in two different, but sometimes related, industries also helps.

"By being involved in both foodservice and jan/san, we can visit a customer, such as a school, and not only work with the foodservice director, but also the person in charge of maintenance or environmental services. Acorn Distributors is able to

provide a wide range of products and needs for its customers," Rosenberg said. "For instance, everybody needs toilet paper. It's not a trendy product, but it's always going to be around. Everybody also needs cleaning supplies; and if the customer is a restaurant, it needs something to serve food in."

Wachter added, "Wherever there is a door — we have something to sell."

Although the need for paper goods, cleaning chemicals, floor equipment and various restaurant supplies remains a constant from customers of Acorn Distributors, there are changes occurring among the company's customer base that must be addressed.

Wachter said one of the biggest changes today is with the way orders are being placed. Technology is allowing more customers to place orders electronically, which is now possible at his distributorship as well.

"Rather than a sales person having to visit a particular customer at a specific time every week and taking an order, there are now many other choices for the customer to make when looking for products. This includes ordering from a Web site, or by fax, e-mail, or phone," Wachter said. "This is probably the biggest change that I have seen over the years."

Although Rosenberg's experience with Acorn Distributors has not been as extensive as her father, she has seen many changes as well when it comes to customers looking for and ordering products.

"When I started in the business full time seven years ago, everybody carried paper catalogs. You would go to your customer, show them your company's catalog along with a sample, and receive many orders that way," she said. "Today, our sales people walk in with a laptop linked to our product lines. Also, it seems 90 percent of our customers have Internet access, where they can just go to our Web site and look at what we have to offer. They can then order these items online if they like."

Despite these advances in technology which give cus-



Acorn Distributors moved into its current 108,000-square-foot facility in 2000.

tomers more freedom, both Wachter and Rosenberg emphasized the importance of staying close to the needs and desires of customers.

"We do not take anyone for granted. Our sales people are expected, no matter how the order gets to us, to keep in contact with the customer on a regular basis," Wachter said.

Rosenberg added: "It's still a people business regarding the foodservice and jan/san industries. Anybody can come in and undercut us by 10 cents. Customers need a reason to do business with us. We need to prove to them what we can do, such as save them money by offering quality service and products. It's our job to show them new items and keep them abreast on what is going on within the industry."

"We can't let the cost of fuel interfere with the class of service our company provides. Customers don't care about the price of fuel on our end. Our objective is to do whatever it takes to meet customers' needs."

— Acorn Distributors CEO Al Wachter

She explained that Acorn Distributors' sales people are trained to be sales consultants rather than just order takers.

"Anybody can be an order taker. We want to set ourselves apart from what others may be doing," Rosenberg said.

According to Wachter, the trust factor between a customer and company, such as a distributorship, is still very important in today's business climate.

"If the customer doesn't like or trust you, (he/she) might not buy from you even if your prices are lower than the competition," he said.

Education Plays Vital Role

To help separate Acorn Distributors from the field of competitors, a company emphasis is placed on properly educating its sales people concerning various aspects of the foodservice and jan/san industries. This includes education on trends, new products, better ways to do business, etc. It also pays for sales reps to be observant.

"For example, if one of our sales people visits a customer and sees a trash can liner that is hanging over the side of the can by 16 inches, that customer is obviously using the wrong liner. The sales person can suggest he or she use a liner that fits, which therefore could save that person or company significant money," Rosenberg said.

Another way officials at Acorn Distributors help customers succeed is to connect them with customer service representatives, who work specific accounts. These reps are assigned to both specific Acorn sales people and customers.

"If a customer calls us to say, 'I need a case of toilet paper,' our customer service person assigned to that customer can immediately help the client without necessari-

ly touching base with a specific sales person," Wachter said. "The customer doesn't have to go into detail on what size of box (he/she) needs, etc. Our customer service rep will automatically know as this information can be found within our computer system. Plus, our customer service reps work with the same customers all of the time."

"They have very strong relationships with our customers, just like our sales people do," Rosenberg added.

Those who sell for Acorn Distributors go through proper training to make sure they are well versed on products and selling procedures. The company uses what Rosenberg called the Acorn non-traditional selling system to train its sales staff.

"We have a trainer who spends time teaching new sales people how we go to market and how we conduct business — obviously our internal policies," she said. "There are also vendors who come in to train our people on their specific product lines.

"We don't expect our sales people to be specialists and experts on everything. However, we do give them the tools they need to succeed. It's important for them to study and learn about our product lines, especially if they come to us without any industry experience."

Finding good candidates to fill selling positions at the distributorship is not an easy task, according to both Rosenberg and Wachter.

"The easiest job I do personally is that of selling. It's like breathing to me. However, I find the hardest job is knowing a good sales person when I see one. Just

because a person looks presentable and acts nice doesn't mean he or she can sell," Wachter said.

Rosenberg added that there are several key attributes that most good sales people possess. This includes having a sense of humor, and being able to roll with the punches and think fast on their feet. Being a hard worker and self starter are also important traits.

"In sales, you have to get up and go. Numbers tell the story," she said.

Wachter added that as his company has grown, so has its approach in hiring employees for sales positions. Today, officials at Acorn Distributors have a testing procedure in place to help determine which candidates may be the best qualified for the company. However, just because a candidate may score high on the test doesn't guarantee (he/she) is the right person to hire.

Both Wachter and Rosenberg admit that finding and hiring the right person for sales is not an exact science.

"There are two different arguments: Is a sales person born, or can (he/she) be taught?" Wachter said.

Rosenberg added: "In my personal opinion, you can give anybody knowledge, but they either have it or they don't (regarding sales). It's part of their personality."

The distributorship does enjoy a loyal work force and a low rate of turnover.

"We treat people the way we want to be treated. Also, we will not ask one of our employees to do anything that we wouldn't do ourselves. There are high expectations, both for our employees and ourselves," Rosenberg said.

According to Wachter, the general feeling throughout the organization is that if the employees take care of the company, the company will, in turn, take care of them.

He added that as the company has grown, so has the need to fill various types of jobs at the distributorship. When the company first started, there were far fewer employees and everybody had to be more of a jack-of-all-trades.

"When we started the business, you did all types of

jobs. For instance, I used to help load and unload trucks, although I never did drive for the company. That was about the only job I didn't do," Wachter said.

Despite never serving this role for his distributorship, Wachter has a lot of respect for those who do drive at Acorn.

"You can lose a customer because of a driver who is not doing a good enough job in delivering products," he said.

"We have a wonderful group of drivers and get many compliments about them from our customers," Rosenberg added.

She said there are times when these drivers will pass on information to the company's sales people regarding business or product leads that the reps may want to pursue.

"For instance, a driver may say to a sales person, 'Why don't you talk to (a particular) customer about (a particular) product. I have noticed they are not buying it from us,'" Rosenberg said. "This is what we are talking about when we say our employees truly act as a team."

Acorn Distributors' fleet of delivery trucks range in size from 24 to 53 feet. Wachter said his company will continue on its current course of delivering products to customers despite today's high cost of fuel.

"We can't let the cost of fuel interfere with the class of service our company provides. Customers don't care about the price of fuel on our end. Our objective is to do whatever it takes to meet customers' needs," he explained.

Along with properly delivering products, another essential element to any successful foodservice and jan/san distributorship is maintaining an efficient distribution center. Properly keeping track of which products sell and which ones don't can save a company such as Acorn Distributors thousands of dollars every year.

Officials at the Indianapolis distributorship keep close tabs on inventory via the company's software program.

"We do a much better job these days watching for hot and cold selling merchandise. Before we bring a new product in, it is analyzed to see if we already offer something similar," Wachter said. "It's impossible to carry everything available in the jan/san market. We try to focus on what we do best."

Rosenberg added that officials at Acorn Distributors seek valued partnerships with suppliers for the benefit of both sides, as well as end-users.

"We are very loyal to our suppliers. The supplier relationship is just as important to us as the customer relationship. We treat our vendors like we treat our customers," she said.

"Trust and loyalty are important factors for us," Wachter added.

Along with working with suppliers and training employees, another important function at Acorn is that



Company representatives at Acorn Distributors include, left to right, Sherrie Clipp, customer service; Patty Oskay, customer service supervisor; Laurie Kuykendall, purchasing; Jessica Hanneken, customer service; Barb Brinkley, customer service; Kim McShay, purchasing; Robin Hampshire, customer service; David Adams, customer service; Jill Hopkins, purchasing; Mindy Hahn, customer service; John Lord, bids/contracts; and Jo Ellen Bryne, director of purchasing.

of providing training opportunities for customers through the use of in-service seminars. These seminars can be conducted either at Acorn's facility or at a customer's location. Manufacturer reps provide much of this training as well as representatives of the distributorship.

Wachter said one objective when educating customers is to help build their loyalty toward the company.

"Our clients are experts at running their businesses, and it's our job to educate them and help them do their work better," he explained.

According to Rosenberg, one advantage to bringing customers into Acorn's facility for educational programs is that it allows the distributorship to showcase various products it has to offer.

"Every time we bring customers here, someone will say, 'I didn't know you stocked that particular product,'" she said. "They always seem to find something they didn't know we carried. Our company features over 6,000 items, and it's hard for sales reps to detail everything."

Keeping Up With Changing Times

For the past 30 years, officials at Acorn Distributors have done a good job of keeping an eye on trends and changes within the jan/san and

foodservice industries. This focus remains true today.

Wachter and Rosenberg spoke about two specific

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changes they have noticed and the direction their company is taking concerning these changes.

One trend that Wachter reported was that key deci-



Shown in Acorn Distributors' showroom are, left to right, Barb Brinkley, customer service; David Adams, customer service; Patty Oskay, customer service supervisor; and Gary Hegeman, chief operating officer.



Distribution and service employees at Acorn Distributors include, left to right, Juan Tiscarino, distribution center; Burgandy Jay, distribution center; Larry Roberts, driver; Jim Henson, director of transportation; and Ken Jenkins, service center manager.





Letters from especially satisfied customers line a main hallway at Acorn Distributors' facility in Indianapolis.

sions are not necessarily being made at the local level anymore by customers.

"This could be either a positive or negative trend. Basically, even if local people want to buy from you, this doesn't always mean that they can. There might be someone else with higher authority within their organization who makes the buying decisions," he said. "There is not as much trust and loyalty with some customers because of this trend, and it's a trend I feel will continue."

Another change that has taken hold in many areas of the country regarding the jan/san and foodservice industries concerns an increased emphasis on environmentally-friendly "green" products.

Both Rosenberg and Wachter said that although the green movement is not as strong in their part of the country compared to some regions, such as the East and West Coasts, they have seen the movement growing in importance.

"We try to go through a chain of command, but if a customer feels (he/she) needs to talk with me, I am here. If it's important enough for the customer, naturally I will listen."

— Acorn Distributors CEO Al Wachter

"We are ready and prepared as a distributor. Acorn Distributors offers many (green) products, but it's not a primary focus right now," Wachter said.

He added that a greater demand for green products will probably take place when a larger number of government buildings and municipalities in the area request these items.

"We have talked (at Acorn Distributors) about whether it (the green movement) is a trend or a fad. I don't feel it's a fad," Wachter said. "I think it's here to stay."

Whether offering green or traditional products, business has been good for Acorn Distributors. The company has enjoyed recent double-digit growth, something Wachter said must continue.

"I feel we must stay at double digits through either internal growth or external growth by acquisition," he said.

There are several factors that have led to the growth of Acorn Distributors over its 30-year history. This includes hard working employees, quality products and services, and being diversified in the local distribution marketplace.

"There are not too many jan/san distributorships that are also foodservice distributorships, at least not in our market," Rosenberg said.

She added that the company has also benefited from its online order entry and online catalog capabilities that can be found at www.acorndistributors.com. This site includes links to various manufacturers that work



Employee training takes place on a regular basis. There is a lot to learn about new products and systems that continue to find their way in the jan/san marketplace.

with Acorn.

"I have received a lot of compliments from customers regarding our online order entry. They say it's user-friendly, which is very important. Obviously, if it's easy to use, more customers will take advantage of the service," Rosenberg said. "We want customers to visit us online, because when they do, it's likely they will find new products that they now know we offer."

Along with being diversified and offering the latest in technological tools to its customer base, Acorn Distributors also benefits from its size.

"We are prepared and small enough to change on a dime if we have to," Wachter said. "And because the company is privately-owned, the buck stops here. I don't have to go to anybody else to make a big decision."

He added the company offers flexibility to its customers and has an open door policy.

"We try to go through a chain of command, but if a customer feels (he/she) needs to talk with me, I am here. If it's important enough for the customer, naturally I will listen," Wachter explained.

To further help the company grow and meet the changing needs of customers, Acorn Distributors belongs to two buying organizations: Network Services Company and Allied Buying Corporation.

Wachter said one advantage to being part of such organizations is that they allow officials from Acorn to meet and network with other distributor members who are located throughout the country.

"For instance, I can call any Network Services member and ask how they handle certain situations that come up in business," Wachter said. "It's about exchanging ideas. We all have the same issues."

The networking can be done in several ways, including by members visiting each other's facilities.

"It's amazing what you can learn by just being at somebody else's facility," Rosenberg said.

Looking Toward The Future With Pride

After 30 years of heading his own company, Al Wachter is proud of what has been accomplished and optimistic about the future. He is also proud of the path his daughter and son, Jennifer Rosenberg and Adam Wachter, have taken with the company.

Rosenberg became president of Acorn Distributors in January 2006, while Adam Wachter, who has worked in sales and IT services for Acorn, is currently serving a tour of duty in Iraq with the U.S. Navy Reserve.

"As a parent and as a boss, I couldn't be more proud," Wachter said.

Rosenberg said she took some time after graduating from college before deciding to join the family business full time.

"I had an opportunity to work for my father right after college, but I decided to get some experience elsewhere. I wanted somebody else to be my boss for awhile besides my dad," she said.

Rosenberg was employed as a food broker and worked with many of the same type of customers that Acorn Distributors works with today. This includes those associated with hotels/motels, schools, nursing homes and restaurants.

After five years as a food broker, she decided to join the family business when Wachter purchased his partner's share of the distributorship.

"My dad called and said, 'It's time. Are you ready?'" I knew it was right, and moved back to Indianapolis in August 1999," Rosenberg said. "I also worked here when I was growing up, even before I could drive, such as during summer, winter and spring breaks.

"I can remember as a little girl filing and making copies, and getting my first paycheck. It makes me appreciate every employee here and what they do."

Wachter added that it was important to him that both his daughter and son in the business gained sales experience.

"It's very hard telling people what to buy or how to price things without being in sales for awhile. It's important to know what is going on with your customer base," Wachter said. "Sales experience also helps a person gain valuable people skills."

These skills have helped with the success of Acorn Distributors over the past 30 years, and will remain in use for future growth — both with end-user customers and suppliers.

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