

JASPER INDUSTRIAL SUPPLY

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JASPER INDUSTRIAL SUPPLY - A DIFFERENT APPROACH TO SUCCESS

I (virtually) sat down with Brent Atkins from Jasper Industrial to learn more about his company. Brent was kind enough to share his story.

In The Beginning

Jasper Industrial Supply was founded in 1980 by Jim Clements in Jasper, Indiana.

Jasper was the perfect location for the company. Jasper is in Dubois County. According to the Dubois County Museum, it is considered the “Nation’s Wood Capital” due to all of the woodworking manufacturers of different furniture types, ranging from Kimball Grand Pianos to MasterBrand Cabinets. The manufacturing economy in such a sparsely populated location is fascinating. Much of the businesses in town are built on the OEM companies or those that service and supply them.

Acquisitions

Brent and Matt Bajorek bought Jasper Industrial in February 2018. He shared that the reason they bought the company was because of the business model, the financials, and the existing team of employees. They knew it would be profitable, and they also knew they could grow it.

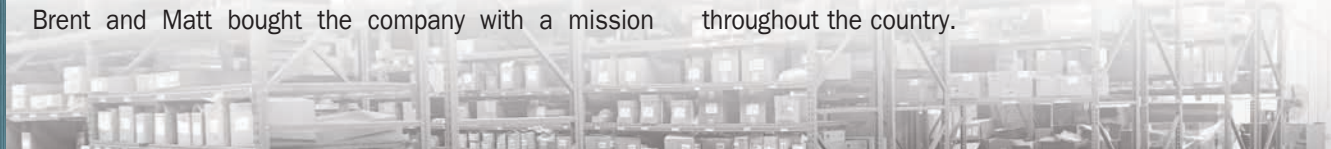
Before Brent and Matt showed up, there were some challenges that the company had to overcome. Over time, the sales and margins coming from the big OEM companies began to shrink. The previous owner, Jim Clements, shifted his core business from the OEM companies to about 120 Amish custom cabinet manufacturers in Davies county about 40 minutes away. Brent and Matt bought the company with a mission

to grow it and do it quickly. When they purchased the company, about 80% of the sales were to Amish cabinet companies, but no customer represented more than 9% of the business. It was very diversified.

To expand their reach, they searched for another company to purchase. In June of 2019 they purchased Stac Industrial Supply, which complemented what they already had. The acquisition of Stac helped obtain new product lines and another great team of employees. Stac also made a good fit because they had the opposite business model. 80% of their business was to local OEMs, with the remaining more diversified. Stac had relationships Jasper did not have with these OEM’s, and now they are selling traditional Jasper Industrial Supply products where they were not before. Additionally, they are now selling traditional Stac products to the Amish communities that they were not previously. There were a lot of synergies, and the ROI was realized immediately.

Their goal when they bought the company was to grow it. It wasn’t big enough for two executives. They are now looking to bring in a third executive to lead up their fastener division. Brent and Matt both came from the corporate world, but they both had entrepreneurial desires for a long time. They have energy and a commitment to the company, each other, and their families. They want to build an enterprise that can take them to retirement and hopefully have their children run it someday.

They had seven employees in February 2018, and they now have 25 full-time employees and three part-time employees. They also started a software development company that created a program for their custom cabinet manufacturers to help with order entry from their dealers throughout the country.



Company Culture

Whenever you acquire companies, there are challenges associated with getting to know the new people and whether your leadership style will be welcomed. There is always employee anxiety about what the new owners are going to want to change. They did not let a single employee go in the two acquisitions they made. One thing they did see at times were people working for themselves rather than as a team. Brent believes a strong team is more valuable than strong individuals. From the start, they made it a high priority to change parts of the company's culture to focus on teamwork. He feels that they currently have a strong team.

Unique

I asked Brent what made Jasper Industrial unique. He told me, "We have a significant white-glove approach to service, which we know our competition does not. We charge slightly higher prices, but we also hire subject matter experts who can help our customers solve their problems. The consulting helps save them money over time because they are not paying for mistakes. We help them become more efficient, and they appreciate that. Sure, there are customers who only care about saving a couple pennies. Those aren't the customers we want. We have experts in cabinet hardware, finish equipment, fasteners, janitorial/sanitation supplies, and even glue! As mentioned already, we even created a whole company of software developers to solve our customers' technical problems. The software is now being sold nationwide."

Since they bought it, the acquisition of Stac Industrial Supply has helped them launch their fastener business. Stac had employees who knew fasteners, and they hired an additional employee whose core expertise was in screws. After the acquisition, to be more competitive, they decided to import many low-cost commodity fasteners from Asia. So far, it is working, and they are acquiring new customers and saving them money.

COVID-19 Pandemic

I wondered how the pandemic had affected them. Brent told me that

COVID has turned out to be a spark plug for them. The woodworking industry was deemed essential. While their core business dropped 20% or so, they began buying domestically and importing COVID supplies like masks, hand sanitizer, gloves, disinfectant sprays, sanitation wipes, gowns, etc. They landed a deal with a national clothing outlet with 3,800 stores that they supplied 400,000 gallons of hand sanitizer so they could reopen. Online sales were peaking at 500+ orders per day. Their pivot has allowed them to have record sales. More importantly, it helped create new customers throughout the country on an ongoing basis.

Brent said that the decision to pivot to COVID supplies was easy. There was a massive market for it. They were already selling those types of products. The volume of sales is much higher now. Brent told me that even though it was an easy decision, it was a substantial financial risk. They were wiring large amounts of money overseas and domestically, hoping not to get scammed. So far, it has worked out great.

Looking Ahead

Their eCommerce platform is a pilot that will eventually allow them to put their entire product line online. Brent knows that many more challenges will surface when they do that, like the need for packaging supplies, resources to work fulfillment, shipping, customer service, and integration with our existing systems. The list goes on. They have partnered with UPS, which is helping us with a lot of these challenges by providing us the expertise to solve these problems upfront. It benefits them for us to succeed.

Technology

Aside from creating their technology firm, a huge customer retention magnet, they changed their internal system. When they acquired Stac, they migrated from an archaic ERP system to The Business Edge™ by Computer Insights Inc.



The old system had rigid inventory locations implemented. They decided to invest in The Business Edge's™ Wireless Warehouse. Brent explained that this was both a significant financial and time investment to implement. He said it was worth it. It allows them to stock inventory in any open space quickly and easily. They purchased scanning devices that eliminate the need to print pick tickets since the orders went directly to the gun.

They used their software development team to build an eCommerce store in just three days. Computer Insights' RESTful API's allowed their team to create seamless integration with The Business Edge.™ With their eCommerce business, they have teenagers using wireless scanners to pick products to pack and ship who had no previous experience.


Verizon Connect Reveal is another piece of technology that they use. Routist is a product in the Verizon suite, it allows them to plug in all of their scheduled deliveries and generate an optimized route for their drivers. Their

drivers used to get back to the office around 5 PM, now they are returning around 2 PM and can help with picking orders.

More Information

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Computer Insights Inc. It's our Fastener Industry focus that makes the difference. The Business Edge™ is the only system specifically designed for fastener companies. 

JASPER INDUSTRIAL SOLUTIONS