

Appleton Supply product goes national

Chimney flashing kit goes from idea to store shelves

By Larry Avila
Post-Crescent business editor

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For Ted Morgan and the workers at Appleton Supply Co., they see a product they developed simply as a way to fill customers' needs.

"We heard from the industry that they needed something to cut down installation time," said Morgan, national sales and marketing manager at Appleton Supply, a metal building products business in Appleton.

What he's referring to is the Easy Flash Chimney Kit, developed by Appleton Supply and manufactured in Appleton.

The kit includes material needed to correctly flash a typical one-flute brick chimney. The product is made out of galvanized steel and all components are prefabricated and adaptable to any roof angle.

According to Morgan, roofers who have used the product say it has reduced flashing installation by about four hours.

"Now it may take an experienced roofer about 1 hour to install the flashing around a chimney," he said. The product is mainly geared toward professional roofers and contractors but a skilled do-it-yourselfer also should be able to install the kit, Morgan said.

Appleton Supply has been making the kits for about two years.

Going mainstream

Any manufacturer wants to get more products out the door. Appleton Supply was no different so it contacted different suppliers and retailers who may be interested in selling their chimney flashing kits, which have an introductory price of \$27.

Eau Claire-based Menards was among the first retailers to offer Appleton Supply's kits.



Employee Debbie Ashauer removes a finished piece of flashing from a roll forming machine at Appleton Supply Co. in Appleton last week. Post-Crescent photo by Kirk Wagner

History of Appleton Supply

- 1918: Founded by Frank Gabriel as Appleton Roofing and Hardware Co.
- 1923: Incorporated as Appleton Hardware Co.
- 1932: Incorporated as Appleton Supply Co.
- 1950: Helen Fowler, daughter of Frank Gabriel, becomes president of Appleton Supply
- 1970: Helen Fowler's children purchase Appleton Supply
- 1984: Appleton Supply purchases Sell Even Building Products
- 1993: Appleton Supply's current headquarters and manufacturing plant is dedicated
- 1998: Appleton Supply purchased by Gibraltar Steel
- 2004: Gibraltar Industries surpasses \$1 billion in sales

At a glance

Company: Appleton Supply Co. Inc., 1905 W. Haskell St., Appleton, WI 54914

What they do: A metal building products company
Employees: 70 in Appleton; top local executive, Brent Liston, president

Parent company: Buffalo, N.Y.-based Gibraltar Industries, a manufacturer, processor and distributor of products to the building, industrial and vehicle markets with 13 businesses employing about 3,400 people mostly in North America, with facilities in China and Europe. Gibraltar is publicly traded on the Nasdaq stock exchange under the symbol ROCK. Estimated revenues \$1.3 billion

Web sites:

Appleton Supply Co. Inc.: www.appletonsupply.com;

Gibraltar Industries: www.gibraltar1.com

Morgan said the pitch to Menards was short.

"We've had good response from Menards," he said.

Jeff Abbott, a spokesman for Menards, would not discuss how many products are submitted annually for its consideration to sell at its stores.

On Menards' Web site — www.menards.com — it directs potential vendors to send products for consideration to its home office. This information can be found under the frequently asked questions section of the retailer's Web site.

Atlanta-based Home Depot also was reluctant to discuss its product selection process.

"I can tell you that it is a fair and competitive process," Jennifer King, a spokeswoman for Home Depot, said in an e-mail to The Post-Crescent.

She said prospective vendors can go to Home Depot's Web site and submit ideas through its supply center. The Web site is www.homedepot.com/suppliercenter.

Since 1998, Appleton Supply has operated as a division of Buffalo, N.Y.-based Gibraltar Industries, a \$1.3 billion manufacturer, processor and distributor of products to the building, industrial and vehicle markets.

Representatives for Gibraltar said through the first six months of 2007, Appleton Supply has sold more than 3,000 chimney flash kits to Menards.

Semco, another Gibraltar company, sold about 1,000 of Appleton Supply's kits for distribution to Home Depot stores in Atlanta. The 4,000 kits sold so far through 2007, doubles the amount Appleton Supply sold throughout 2006, according to Gibraltar's estimates.

Network advantage

Ken Houseknecht, vice president of communications and investor relations at Gibraltar, said his company has grown through acquisition but takes a hands-off approach when it comes to its separate businesses.

"Our businesses understand their products and their customers, so we want to leave that formula in place," he said.

Where Gibraltar became involved was to take Appleton Supply's product and market it nationally through its other businesses and distributors.

"Appleton Supply has good relations with its regional distributors and businesses," Houseknecht said.

Gibraltar tested the waters with national wholesalers including Allied Supply and ABC Supply.

"These companies are significant players in distribution," Houseknecht said. "When you have many businesses, it makes sense to group customers, so we have teams work together, which is how we can sell to national retailers like Home Depot and Menards."

Gibraltar has a corporate goal to grow to \$2 billion in sales.

For that to happen, it must reach more customers, Houseknecht said.

"Ultimately, the objective is to expand sales," he said. "While Appleton Supply has the relations with Menards, it may be less familiar outside Wisconsin. We (Gibraltar) give them the national platform."