

# The Value of Value-added Products

▶ Two producers make value-added products a key part of their business plans.

BY SHELBY O. MITCHELL

**T**hese days, producers across the country are strategizing how to profitably differentiate themselves from their competitors. When everyone is selling seemingly similar products and services, how can one producer distinguish itself from the rest?

Instead of increasing their marketing budgets, several producers have turned to a plan that actually increases cash flow. Their strategies focus on expanding their offerings of value-added products.

Concrete producers have always distributed products to their contractor-customers. Rebar, mesh, and even work gloves can be found in every plant's storeroom.

But this concept requires the producer to go a step further: making a commitment to integrating value-added products into their core businesses. And just as important, making sure customers know about the producer's effort to be a one-stop source for every project.

Two Midwest producers have

embraced this value-added construction products strategy as a key part of their business plans. Cemstone has seen a dramatic pull-along increase on their ready-mix sales after strategically expanding its contractor stores in the Minneapolis/St. Paul area. While in the Toledo, Ohio, area, the Kuhlman Corp.'s new corporate office is literally built on its strong commitment to construction product suppliers.

## Binary growth

Balloons, product demonstrations and free refreshments drew a large crowd last summer when Cemstone officials held their grand opening of the new North Metro Concrete plant, and its 19<sup>th</sup> Contractor Supply Store in East Bethel, Minn. The dual opening is a common experience now that Contractor Supply Stores have become such a big part of Cemstone's business. "Anytime we construct a new plant, a store will be part of it," explains Patrick Kinsel, general manager.

The producer has been in the business of selling construction-related products since it acquired an existing

contractor supplier eight years ago. Kinsel, who manages the Cemstone Contractor Supply (CCS) division and its sales team, says contractor supply sales have more than tripled since the acquisition.

But, Kinsel says, that success is more than just constructing an additional building. He credits Jim Galloway, CCS's general manager of operations, for providing a customer-friendly environment. Galloway is responsible for consistent store design, training employees who sell the products, and working with vendors to select appropriate inventory.

In Cemstone's diverse market, proper store design is important, as one location may specialize in concrete masonry, while another may be heavily agricultural. By meeting with vendors each month, and keeping a close eye on inventory patterns, the CCS team can customize the products in each store to best meet specific needs of local contractors.

Along with a local focus, CCS's product selection can help boost sales of its ready mix business. Insulating



CEMSTONE



KUHLMAN CORP.

Left: Cemstone's Contractor Supply stores offer customers a hands-on approach to selecting building supplies.

Right: The Kuhlman Corp. headquarters in Maumee, Ohio, exemplifies the versatility and beauty of masonry products.

concrete forms (ICFs) are a perfect example of a product that supports both divisions. ICFs are a natural fit for Cemstone because they directly support its core ready-mix business.

However, carrying ICFs in the stores is just the first step. Cemstone's Ready Mix and Contractor Supply sales teams also work hand-in-hand to ensure the products' compatibility

translates into sales. The teams regularly share job leads and often submit dual bids for large projects: one for concrete, and one for contractor supplies. Kinsel estimates the producer provides concrete and pumping services for about 90% of the ICF jobs sold through their stores.

Thor Becken, Cemstone's president, uses an analogy to describe this strategy.

If you see a building supply truck driving in the Twin Cities carrying shingles, trusses, and lumber, you won't necessarily see a ready-mix truck and pump behind it. But if you see a truck delivering ICFs, the mixer and pump won't be far behind.

### Thinking like a retailer

The nine Contractor Supply salespeople also promote Cemstone's position as a market leader with the stores' targeted retail approach. Staff builds awareness and store traffic by meeting with customers and potential customers in their offices as they spread the word about special deals. For example, a recent promotion in Cemstone's frequent buyer program encouraged customers to buy 10 containers of curing and sealing product by offering the eleventh container free, along with a complimentary sprayer to apply it.

Even contractors not involved in the customer loyalty program are reminded of the stores at least once a month. Cemstone and its suppliers agree on special monthly discounts and alert customers through direct mail and in-store displays.

Like many strong retail sales programs, CCS also has an e-commerce component. Although Cemstone has continued to open stores to serve customers in local areas, the company wanted supplies to be available 24 hours a day, 365 days a year. Now, Cemstone's entire construction products catalog and its more than 10,000 items is accessible on the company Web site. Customers can access pricing and inventory, and order supplies on-line with free delivery.

"Our Contractor Supply Stores are just one part of the full-service packages we offer to our customers," says Kinsel. But in terms of CCS's impact on Cemstone's ready-mix business, he says, "it's the tail that wags the dog."

#### Factors of Cemstone's success:

- Sales staff exclusively dedicated to store promotion
- Customized products to meet local needs
- Integrated sales approach for ready-mix and contractor supplies
- "Retail" strategies, such as e-commerce and customer loyalty programs

**Building Customer Awareness**

Employees at Kuhlman Corp., a major ready-mixed concrete producer in Ohio and Michigan, appreciate the benefits of materials that stand the test of time. In fact, the company has been promoting concrete and other quality construction products since 1901. Dedicated to these products and their customers, managers of this

family-owned producer asked the architect to design its new corporate headquarters in Maumee, Ohio, as a life-sized product showcase.

With the help of an innovative architectural and engineering firm, SSOE Inc., the building was designed to bring the inside out. In other words, it incorporates a variety of building materials to represent

Kuhlman's line of business. "Our concept was rooted in the fact that this is a family-owned, long lasting business that stands for quality products," says Lance Mushung, project architect. "The design is a reflection of Kuhlman's heritage."

Since the producer distributes such a wide range of construction products, from concrete and masonry specialties to brick and architectural stone, SSOE had its pick of materials. Together with the Kuhlman staff, the architects, designers, and suppliers selected materials that would best exhibit the products' capabilities.

On the building's exterior, the tasteful blend of building products is immediately apparent, as is the architect's attention to detail.

A wall of red #470-479 Dark Belden Brick stands on one side of the front entrance, in dramatic contrast to perpendicular walls and towers of Arriscraft Dry Stack Building Stone. Above the entryway, a cantilevered cast-in-place concrete canopy is a subtle reminder of Kuhlman's core product.

Ken Kuhlman, a fourth generation member of the company's founding family, says the wall gives the building, "a sense of permanence from the standpoint of the products we sell, and also our commitment to the community and masonry construction. We've been in business 105 years."

Inside, the main brick wall serves as the backbone of the building, and features historic masonry techniques executed by the masonry contractor, S.A. Storer and Sons.

**Collaboration is key**

A "diaper pattern" uses cantilevered brick to create stair-step shadow lines at different times of the day, while interior arches highlight traditional brickwork. Not as visible, but equally important, were the collaborative efforts of the contractor and brick supplier. S.A. Storer and Belden Brick worked together to create custom products and one-of-a-kind patterns that resulted in artistic brickwork not often seen in new construction.

The brick and stone walls also separate each major function of Kuhlman's headquarters: a showroom, training facility, sales and dispatch, and administrative offices. When visitors enter the 2800-square-foot

showroom, they discover unique product applications, in addition to traditional displays.

Across the hall, Kuhlman University convenes during the off-season, offering hands-on training for architects, engineers, contractors, and other professionals. Kuhlman invites vendors and product experts to host

workshops and informational lunches. Professionals from companies like Belden Brick and Arriscraft lead training seminars about new products, such as specialty brick sizes and thin veneer masonry units. The 1500-square-foot multimedia facility even has running water and a wash-down space for demonstrations. Its

**Factors of Kuhlman's success:**

- Strong relationships with suppliers
- A highly visible showcase of product capabilities
- Unique product applications
- Collaboration with suppliers to educate customers

amphitheater seating is often filled to capacity, with about 75 guests attending each session.

The building has enabled Kuhlman to demonstrate quality workmanship to a larger audience. Ken Kuhlman enjoys hearing from customers and suppliers who appreciate what the company is doing to promote their products. "Customers say, 'It's neat that you've done this for our industry,'" says Kuhlman. "It makes a statement that we are proud to be in this business."

*For more on Cemstone and Kuhlman Corp., visit their Web sites at: [www.cemstone.com](http://www.cemstone.com) and [www.kuhlmancorp.com](http://www.kuhlmancorp.com).*

*Are you interested in expanding your company's line of construction supplies? Check out the following, innovative products at World of Concrete. Booth numbers were correct at time of publication.*

**► Architectural reveals for tilt-up**

Greenstreak Reveal StiX are light-weight architectural treatments for the tilt-up industry. Laminated with a durable, smooth plastic outer shell, they resist damage and don't require release agents or form oils. They provide crisp lines and consistent angles, and are impervious to weather. Greenstreak Group Inc. 800-325-9504. [www.greenstreak.com](http://www.greenstreak.com). **Circle 21.** WOC booth #C7761



► **Impervious concrete barrier**

Applied by roller, squeegee, or spray, the ICO Flexi-Coat is designed to extend the life of bridge decks and other outside concrete structures. This 100% solids, two-part epoxy coating provides an impervious barrier that protects concrete from moisture, wear, salt, and chemicals. It also prevents the freeze/thaw cracking and corrosive rebar attack. Bridge decks may be returned to service in eight to 10 hours,



and the product adheres to damp and dry substrates. International Coatings Inc. 800-624-8919. [www.internationalcoatings.com](http://www.internationalcoatings.com). **Circle 22.** WOC booth #S13907

► **Easy-to-apply barrier**

Applied by spraying it directly onto substrates like concrete and masonry, Perm-A-Barrier VP is a fluid-applied, acrylic air barrier membrane that provides continuous air tightness and water protection throughout the wall assembly. Acting as a drainage plane while allowing water vapor to escape, the barrier forms a fully adhered, breathable membrane designed for above-grade wall assemblies. Minimal surface preparation is needed. Grace



Construction Products. 877-423-6491. [www.graceconstruction.com](http://www.graceconstruction.com). **Circle 23.** WOC booth #N865

► **Durable vapor retarder**

Viper VaporCheck, an under-slab vapor retarder, is manufactured using cross-woven polyethylene. Designed to withstand harsh construction traffic,

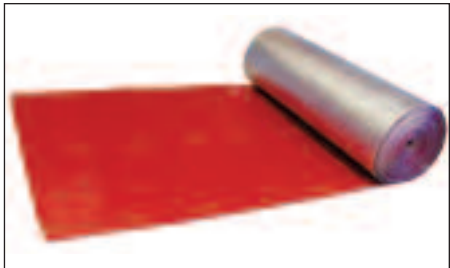


thereby reducing the risk of punctures and pathways for water infiltration, the product is easy to install. It's available in 12x200-foot rolls and three different

thicknesses—6<sup>1</sup>/<sub>2</sub>, 10, and 16 mils. Insulation Solutions Inc. 866-698-6526. [www.insulationsolutions.com](http://www.insulationsolutions.com). **Circle 24.** WOC booth #N144

► **Provides all-over heat**

Intended for use with hydronic ground thawing and concrete curing applications, Red Wave insulation blankets



are constructed of a thin, high-tech polymer laminate. Placed over the hydronic heater's hoses, they're designed to direct heat downward. The conductive facing material transmits heat laterally, cutting back on frost islands. The blanket requires little storage space and, weighing 50 pounds and measuring 6x125 feet, takes only one person to set up. No water can

permeate through with its closed-cell construction. Ground Heaters Inc. 231-799-9600. [www.groundheaters.com](http://www.groundheaters.com). **Circle 25.** WOC booth #C4337

► **General purpose putty**

Providing excellent adhesion to masonry, concrete, steel, wood, fiberglass, polyurethane, and glass, Wall-Nu Trowelable Mastic is a 100% solids, two-component epoxy. The substance may be applied, without sagging, to horizontal, vertical, and overhead



surfaces. Capable of being applied up to a 1-inch thickness on vertical surfaces, it's ideal for patching, coving, lining, adhesive bonding, and blending surfaces. Once cured, the product is easily sanded, drilled, or filed. Chemline Inc. 314-664-2230. [www.chemline.net](http://www.chemline.net). **Circle 26.** WOC booth #S12111

► **Wet-curing blanket**

Designed for indoor and outdoor wet curing applications, UltraCure can absorb more than 41 gallons of curing water per roll. This lightweight, disposable blanket requires 2 to 3 inches of overlap



and is designed to maintain 100% relative humidity on the surface for up to one week. McTech Group Inc. 866-913-8363. [www.ultracure.net](http://www.ultracure.net). **Circle 27.** WOC booth #N2175

► **Innovative floor and roof system**

Although ideal for use with insulating concrete form construction, the AmDeck Floor and Roofing system also may be used with other wall



systems. With the potential to span up to 35 feet, the product is assembled using small, standardized, lightweight modular units. The expanded polystyrene in the decking system provides thermal insulation and reduces noise transmission. Amvic Building System. 877-470-9991. [www.amvicsystem.com](http://www.amvicsystem.com). **Circle 28.** WOC booth #N1053.

► **One-step sealer**

This water-based sealer, Sure-Lock WB, is designed for sealing interlocking stone and pavers. It penetrates into joint sand to bind the sand together and to lock the pavers into place. The sealer prevents erosion of joint sand and reduces weed growth between pavers. The sealer may be applied via roller or spray equipment, followed by using a squeegee to move the product into the joints. ChemMasters. 800-486-7866. [www.chemmasters.net](http://www.chemmasters.net). **Circle 29.** WOC booth #S11951



► **Shear reinforcement system**

Lenton Steel Fortress shear reinforcement system provides a simple, economical solution to brittle punching shear. It easily ties to the top layer of the main reinforcing bar and meets or exceeds ASTM A505-87 with a minimum yield strength of



72,500 psi and a minimum elongation of 11%. It quickly installs over the uppermost layer of main reinforcing bars and easily accommodates unexpected design changes and irregular rebar placement. ERICO Inc. 800-248-2677. [www.erico.com](http://www.erico.com). **Circle 30.** WOC booth #N2929

► **One-stop water-repellent sealer**

Hydrostop is a water-repellent sealer that works better and lasts much longer than conventional sealers because it contains a unique blend of silane and siloxane compounds that react with silicates below the substrate surface. This forms an insoluble barrier within the surface that won't wear

away, fade, yellow, crack, or peel. The finished application is virtually invisible, leaving the surface with its



original appearance and breathability. The Kryton Group. 800-267-8280. [www.kryton.com](http://www.kryton.com). **Circle 31.** WOC booth #S13504

► **Catch stormwater runoff from the jobsite**

The new Ultra-CurbGuard Plus protects curb inlets from sediment-



laden stormwater runoff. Installation is quick and easy. Its modular design allows 3-foot-long units to be easily connected to form longer lengths. Wedge-shaped, heavy-duty foam secures unit in curb inlet. Woven, polypropylene material provides high flow rate and will not cause ponding or flooding. It also helps comply with NPDES, 40 CFR 122.26 and TMDL requirements. UltraTech International Inc. 800-353-1611. [www.spillcontainment.com](http://www.spillcontainment.com). **Circle 32.** WOC booth #S13523

► **Underslab vapor barrier**

The Perminator underslab vapor mat reduces the penetration of moisture and water vapor through the slab, thereby reducing fungus, mildew, mold growth, and radon gas. Designed to withstand normal construction site conditions and traffic, it won't crack,

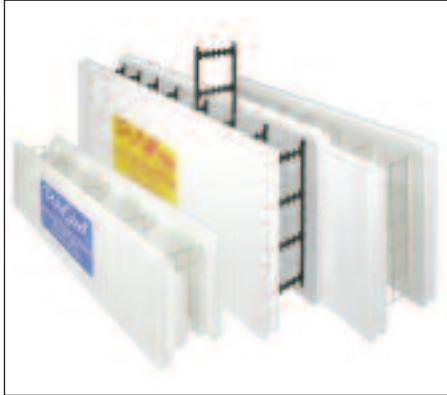


puncture, snag, split, or tear easily. The barrier also may be used in vertical applications. It's not necessary to overlay the product with gravel or sand. W.R. Meadows Inc. 800-342-5976. [www.wrmeadows.com](http://www.wrmeadows.com). **Circle 33.** WOC booth #C6427

► **ICF for strong walls**

PolySteel Insulating Concrete Forms offer four-hour fire protection plus mold and termite resistance. Ideal for seismic zones, as well as areas prone to hurricanes and tornados, walls built with this ICF system are four to nine

times stronger than the maximum design earthquake load required by the Uniform Building Code. The company's exterior wall systems also minimize air infiltration, which



reduces heating and cooling costs. American PolySteel LLC. 800-977-3676. [www.polysteel.com](http://www.polysteel.com). **Circle 34.** WOC booth #N2923

► **Wet curing covers**

Transguard 4000 is a polypropylene



non-woven fabric with a white polyethylene backing that allows for proper moisture control during the concrete curing process. It retains water to permit the concrete to achieve maximum expansion. The wet cure cover is lightweight and reusable. It is more flexible than other curing materials, so installation is easier. Reef Industries Inc. 800-231-6074. [www.reefindustries.com](http://www.reefindustries.com). **Circle 35.** WOC booth #S12211

► **Blankets increase strength**

Able to maintain temperatures between 70° F and 80° F, the PowerBlanket heated curing system also can prevent ground freezing and maintain moisture in fresh concrete. The blanket leads to psi increases of up to 135% over 2-inch foam curing blankets. As many as four blankets can be plugged together. Made of reinforced 14.8 ounce vinyl, it is lightweight, waterproof, and easy to move and store. It plugs into any 110 V circuit. PowerBlanket LLC. 877-927-6432. [www.powerblanket.com](http://www.powerblanket.com). **Circle 36.** WOC booth #S14104

