

Measuring Service

Electric Supply Inc. counts on an annual customer satisfaction survey to monitor where it needs to focus.



From its one location in Tampa, Electric Supply Inc. covers 90% of Florida with the help of 24 delivery trucks.

In a market that was once full of local independent electrical distributors, now only one remains — Electric Supply Inc. The Tampa-based company is a single-location electrical distributor that services the contractor/industrial, data communications, utility and international markets. Founded in 1970 by the late George Adams, Sr., Electric Supply Inc. is now the only locally owned independent electrical distributor remaining in the Tampa

By Tom and TJ O'Connor

Bay market. All other independents in the market have either gone out of business or been bought out. Electric Supply Inc. still remains vibrant and has been able to withstand the test of time and compete with the national chains and large regionals with an unwavering commitment to servicing their customers.

When George Adams, Sr., started Electric Supply Inc. 43 years ago, his goal was to be “all things to a few people.” It’s with that commitment in mind that his son, George Adams, Jr., has carried on his father’s vision, and

Electric Supply Inc. has become the largest single-location electrical distributor in the country both in terms of sales (\$94 million in 2012) and number of employees (121).

Electric Supply Inc. will do anything and everything for their customers. And that promise extends from ownership on down through every employee. In the early days of the company, George Adams, Sr., once won over a large customer who did very little business with Electric Supply Inc. by hand-delivering a set of fuses that no other distributor in town had in stock. Several years

later George Adams, Jr., continued that commitment to service customers when he dropped off material at a customer at 2 a.m. — while he was driving his pregnant wife to the hospital to give birth to their daughter.

As Adams, Jr., explains, “The only way we’re going to win is if we out hustle and outperform our counterparts across town. I don’t know any other way to survive other than to work harder than everybody else. We always have a sense of urgency.”

Whether it be their 24-hour emergency service, their willingness to accept any return, their long business hours, their commitment to deliver anywhere within Florida, or their commitment to providing their customers with exactly what they need, Electric Supply Inc. strives to be the industry leader in customer service.

A FAMILY CULTURE

Electric Supply Inc. has a very family-oriented atmosphere and is full of long-term employees who started in the warehouse and worked their way up. The company’s management team believes in promoting from within and developing its talent pool internally. They have both an HR manager and a training manager on staff and are passionate about training and employee development. Every employee at Electric Supply Inc. is required to complete 24 hours of approved training every year.

Part of Electric Supply Inc.’s success stems from the fact that they empower their people to make good decisions. Says Shariette Jones van Putten, the company’s marketing manager, “We are empowered to service our customers. We live and breathe customer service. Everyone is truly committed to making sure the customer has a good experience.

“George Adams, Jr., is personable and very involved in our daily business. He interacts with customers, employees and suppliers on a regular basis, and routinely walks around the building welcoming guests, making sure custom-



Electric Supply maintains the largest inventory in the Tampa market.

ers are being attended to and visiting with employees. He shares that passion with our managers and serves as a role model to all of us. It’s a real family atmosphere here.”

Electric Supply Inc. recently became an ESOP business to continue to empower their people. Says Adams, Jr., about the company’s decision to go ESOP, “I think it’s a great way to foster loyalty and grow engagement and then share the value of the company. It ultimately gives our people skin in the game.”

WHEN CUSTOMERS SPEAK OUT

Electric Supply Inc. believes in gathering feedback from their customers to improve on its customer service. To continually obtain the voice of the customer, Electric Supply Inc. has retained Farmington Consulting Group (FCG), Farmington, Conn., to conduct annual Customer Satisfaction Surveys every year since 2001. Electric Supply Inc.’s customer satisfaction results have improved each year that they have conducted the survey, and in their most recent survey the company achieved an 82% Total Customer Satisfaction Index (CSI). With this overall rating, Electric Supply Inc. became FCG’s first

distributor client to ever eclipse the 80% CSI threshold. FCG has 48 other distributor clients for whom it conducts Customer Satisfaction Surveys.

With their annual surveys, Electric Supply Inc. is able to measure customer satisfaction with each of their departments (inside sales, outside sales, delivery drivers, credit people, etc.) and with each of their internal processes (deliveries, order accuracy, order-fill rate, returns, etc.). The company can see how their customers rate them in several areas versus their competition. Additionally, FCG benchmarks Electric Supply Inc.’s customer survey results against the median scores of their 48 other distributor clients.

Matt Coffey, Electric Supply Inc.’s COO and executive vice president, likes having the customer survey conducted each year because he believes it’s unbiased and statistically sound. “Over the years we have clearly improved upon things that the customers pointed out to us,” he says. “If we didn’t do the survey, we would just be going by what we think. You can track improvement year-to-year and you can actually focus on areas showing as a shortcoming.”

Adds Adams, Jr., “The whole process forces us to really focus on how we’re doing. It’s easy to be misled by how

hard you're working on something and think you must be doing well. This is a great way to get honest feedback from our customers. We do it in the spirit of continuous improvement, which is why we keep surveying our customers ever year. The journey is never over. We think it helps us get better. With the survey being administered by a third party (FCG), customers speak more candidly. If it's sugar coated, why bother? Customers like to be asked how we're doing, and it helps us from becoming complacent. It fosters an environment of continuous improvement."

Van Putten says it's important to get feedback from customers because service is the key differentiator for any distributor. "We all have the same products," she says. "If you measure, you can improve. Through these customer surveys we truly have a pulse of the market and know how we're servicing our customers and if we're missing out on opportunities."

Electric Supply Inc.'s management team has a meeting with FCG each year after the customer survey is conducted to review the results and strategize on how to improve over the next year. Adams, Jr. sees the importance of the annual meeting, "It's a must to-do at the sit-down meeting every year. We skipped it one year and did nothing with the results. There is a lot of value in it. It's a great exercise to review the information."

In addition to Electric Supply Inc.'s focus on continuous improvement, each year they identify a few areas to try and improve upon their customer service. For instance, the company has found success over the years with deploying cross-functional task forces to work on improving their weaker customer service processes.

In the theme of empowering their employees, Electric Supply Inc. shares the results of their customer surveys with all employees at a company-wide meeting each year. They have also tied their CSI scores to their employee incentive plan. "That has become a huge motivator to all of us to keep our

ABOUT THE AUTHORS

Tom O'Connor started Farmington Consulting Group, Farmington, Conn., for the distribution channel in 1982. He is nationally recognized in the distribution industry as a strategy consultant. O'Connor is also a contributing writer for *Electrical Wholesaling* and a best-selling author for the National Association of Wholesaler-Distributors (NAW) with his book, "Strategic Planning for Distributors: Execution Isn't Everything – It's the Only Thing!" You can reach him at tomoconnor@fcgltd.com



His son, **TJ O'Connor**, leads FCG's distributor market research practice and is the firm's vice president. TJ is an expert in conducting and analyzing distribution industry benchmark surveys, customer satisfaction surveys, sales channel effectiveness surveys and competitive profiling. You can reach TJ at tjoconnor@fcgltd.com.



customer satisfaction scores up," van Putten says.

A HISTORY OF SUCCESS

Electric Supply Inc. has enjoyed lots of success over the years. The company roughly tripled its business from 2002 to 2007. Today, Electric Supply Inc. covers 90% of Florida with 24 trucks making routine deliveries, and they boast the market's largest local inventory. Yet even when times were tough during the recession, Electric Supply Inc. maintained its commitment to its customers and to its employees. One could argue that the best distributors got even stronger during the recession, and that was certainly the case for Electric Supply Inc. As Adams, Jr. says, "We didn't lay anyone off during the recession. We didn't reduce inventory. We maintained all delivery routes. Many of our competitors aggressively cut people and inventory and even closed."

Electric Supply Inc.'s management team believes one of their key success factors is that they have remained inde-

pendent and family-owned, giving them the flexibility to make quick decisions and the ability to deal with each unique situation that arises. "Our ownership has a clear focus on keeping the business family owned and locally owned," Coffey said. "We have done a good job at succession planning and have a good plan for the next 15 to 20 years. We don't just manage by the numbers like a lot of our competitors. The local decision making is a big part of our success."

There really aren't any secrets as to what has helped Electric Supply Inc. grow — hard work, the courage to act on third-party customer satisfaction research, a commitment to their people and a commitment to continuously improving their customer service. It all started in 1970 when George Adams, Sr. set the foundation for the company with his desire to be all things to a few people. Forty-five years later, his son and the rest of the team at Electric Supply Inc. use that same focus on service to meet the needs of customers throughout Florida. ■