



Just How Good a Business Person Are You?

When times and business conditions change, are you the statue or the pigeon?

"There is nothing constant but change."

Somebody a lot smarter than me said that, probably a long time ago. We in the business world get reminded of the truth of that statement from time to time, but it always seems to sneak up on us. We go a few years with things humming along pretty smoothly, then bam, something big in our business changes and we're left with the challenge of figuring out what just happened and what we're going to do about it.

Now, I've been at this long enough to have seen more than a few cycles, and I've spent my fair share of time sweating out what to do when the market goes south, or raw materials get pricey, or we can't make enough of something to keep everybody happy all the time. Admittedly, some of these problems are easier to deal with others. For instance, I'd rather worry about keeping up with demand than look out my office window at a foundry full of unsold pipe (remember the early 90's? I still shudder when I think back...). One thing I've learned from seeing the ups and downs of change is that there are always winners and losers. Some people get lemons and pucker, and others make lemonade. I've done my share of puckering, but I like to think that I've made some lemonade along the way, too.

In thinking about the kinds of changes that affect our marketplace, it occurs to me that the quality of the businesspeople I have known has, to a large extent, been revealed by their ability to deal with change. These people sense change before it actually overtakes them, and take steps early on to minimize potential damage and maximize hidden opportunities.

At AB&I, we're going through some changes, mainly due to the effects of raw materials shortages and the impact that has on our ability to meet current demand. To some extent, the market has changed from a buyer's to a seller's market, and we have had to grapple with some basic questions that test our judgment. For example, if there is more demand than supply, do we run a bidding war and sell to the buyer with the deepest pockets, or do we protect our valued customers and minimize the effects of an abbreviated supply. Do we, like some manufacturers, institute a policy of "bend over" pricing, maximizing short-term profits, making the most hay while the sun shines brightest, or do we stand behind our long-

term policy of respecting the loyalty of our customers by being equally loyal when they need us most?

For us, we've chosen to keep the long-term perspective in mind. It's true we've had to raise prices, but we've chosen not to capitalize greedily on the poor supply picture at the moment. Instead, we've chosen to increase prices so we don't go out of business, but not so much that our customers suffer unnecessarily. We've been a family business since day one (1906), and put a huge amount of stock in the personal relationships we've built up with our customers over the years. A decade or so ago, there were dozens of foundries making and selling pipe and fittings; today there are less than five. Most went out of business, and others consolidated. Our vision has always been to think long-term, to firm the relationships with our customers by being there for them when they need us, and dealing with them in a fair, straight-up manner.

That style of doing business does not come cheap. In recent weeks, we turned away 4 new distributors who wanted to carry AB&I product. We would have loved to have them, but it doesn't make sense to stretch our inventories even further, when our existing distributors are on allocation and having to go to their customers with news of price increases. No, we decided to pass on the new business; a tough pill to swallow in the short term, but more in keeping with our tradition of dancin' with the one who brung us. Still, even while we're raising prices and implementing allocations, some of our customers just don't get the picture.

So, what kind of a businessperson are you? How do you deal with change? Can you thrive when you're the statue as well as when you're the pigeon? I had a call the other day from a guy who needed a good supply of material pretty quickly. When I told him the price, he gave me some grief and said he'd get back to me. Well, he did, a couple of days later, but by that time the shipping date had moved quite a bit further

out. This buyer did not realize that the market had changed. He wanted to force the old rules onto a new situation, and it just didn't work for him. Seeing change, and being able to make the mental transition to a new environment are key qualities in good managers. It's difficult to bend when we're used to having everything our way, but if a difference in attitude and approach to problems will help us achieve our objectives, we're all the better for the adjustment.

With the current product shortages, my good customers are remembering to say please and thank you. Some are even offering golf tips and telling me how great I look, wanting to know my secret to the fountain of youth. I know they're just trying to get on my good side. Still, I do look rather dashing in my new AB&I shirts. Sometimes change is good.

I had the unabashed pleasure of being involved in the recent PSDA and WSA award functions. I was struck by the degree to which families play a part in our industry, and was more than pleased to see so many fine younger people taking over the reigns from their pioneer dads and granddads. Perhaps no family illustrates this multi-generational involvement in the plumbing biz better than the Morans, and nobody sets a better example of senior leadership than the patriarch of that clan, Tom Moran, Sr.

Tom started in the business in 1910 at the ripe old age of 14, before WWI, and when there were many more horses and buggies plying our roads than cars. His first job was as a sweeper at California Plumbing Supply in San Francisco. After his WWI tour in France, Tom returned to his old company, taking the job of outside salesperson. The company changed hands over the years and was finally liquidated in 1932. On January 15, 1933, Moran Supply was born, and the rest, as they say, is history.

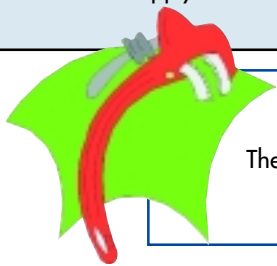
AB&I congratulates the Morans, the Slakeys, the Heiecks, and the many other families who have made the Northern California plumbing supplies business what it is today. And if I'm right about the younger generations that have taken over many of these fine companies, the future is brighter than ever.



Some Well-Known Companies and the Families Behind Them

We're sure we have left off some important names and companies from this list, but readers can certainly see our point when we say that plumbing supply is a family business. Here are some companies that are currently second generation or more:

Company	Family Name	Company	Family Name
A.L. Lease	Lease	Don Miller & Sons	Miller
APSI	Myall	Mission	Teemsa
Able	Libman	Moran Supply	Moran
Atlas	Suffian	Plumbing Source	Sakihama
Buttes and Center State	Christiansen	Pyramid	Kates
Cal Steam	Corvin	Rampart	Perry
R.V. Cloud	Cloud	Robertson Supply	Robertson
Consolidated Supply	Neupert	Rosen Supply	Rosen
Curry Distributing	Curry	Rubenstein Supply	Rubenstein
Express Pipe	Shapiro/Boiko	G.T. Sanders	Sanders
FNF	Matlack	Sigillo Supply	Sigillo
S. Friedman	Friedman	Smardan	Benton
General Pipe	Amaro	T.W. Smith	Smith
Globe Plumbing	Taylor	Standard Supply	Reese
Hirsch	Mariscal	State Plumbing	Mitchell
Ideal Supply	Englert	Steam and Plumbing	Robertson
J.W. Woods	Woods	Todd Pipe	McMillen
Keller	Keller	Western Nevada Supply	Reviglio
Kelly's Pipe & Supply	Shoen	WHCI	Mills
Leif Ball	Ball	Wholesale Specialties	Schiff
Meshor Supply	Meshor		



PDWA ANNUAL MEETING

The combined WSA and PSDA conference will be held May 20-23 at La Quinta in Palm Springs. The weather promises to be warm!



Have you read any good pipe lately?

Well, let me recommend "NO-HUB" by AB&I. This documentary provides the reader an insight of just what pipe should be.

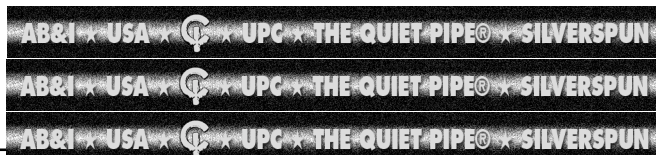
Recently, we installed new printing machines that not only print more clearly, but also provide us with the ability to date our pipe. Now, we are not suggesting that, like some beer, pipe needs to be fresh to be good. But the date printing of our pipe is just another step in the continuous quality control process of CISPI standards. This date now enables us to provide anyone (inspectors, engineers, etc.) with the chemistry and tensile tests of the samples taken on the day the pipe was produced.

In addition, in compliance with standards, this pipe printing contains the following information:

- * **Name of the manufacturer**
- * **Country of origin**
- * **Cast Iron Soil Pipe Institute logo – indicating membership and compliance with CISPI standards**
- * **IAPMO insignia - meaning we are listed with IAPMO**

Additionally, the pipe will contain the following marketing labels:

- * **Quite Pipe - this lets everyone know that by buying or installing this Cast Iron No-Hub, you are providing the quietest plumbing system available**
- * **Silverspun(tm) - this copyrighted trademark refers to the proprietary pipe machines designed by AB&I that are the most efficient producers of quality pipe in the world**





Best Set™ Closet Rings Now Available in Reducing 4"x3" Size

The Best Set™ closet ring, long known in the industry as the finest product of its kind on the market, is now available in a reducing 4"x3" size.

This new size has been designed to accommodate the special needs of smaller spaces available in multiple-unit residential applications.

"We got requests from plumbers to produce this flange," says AB&I plumbing division manager, Gary Wickham. "They have long preferred the Best Set for its ease of installation, and wanted a



reducing version that was also easy to install."

Traditionally available in 2" and 4" heights, the Best Set has become the closet flange preferred by plumbers. This new reducing size rounds out the product line, making it available for even more applications.

This new reducing closet ring is in production and will be available for shipping shortly. For

more information, contact your AB&I field sales representative or AB&I at 1-800-GOT-IRON.

Just for Fun...

Quotable Quotes

"I once had a rose named after me and I was flattered. But I was not pleased when I read the description in the catalog: "No good in a bed, but fine up against a wall."

--Eleanor Roosevelt

"I was married by a judge. I should have asked for a jury."

--Groucho Marx

"What's the use of happiness? It can't buy you money."

--Henny Youngman

"I have good news and bad news. The good news is you're not a hypochondriac."

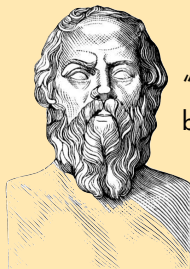
--Doctor to Patient

"It takes only one drink to get me drunk. Trouble is, I can't remember if it's the thirteenth or fourteenth."

--George Burns

"Don't worry about avoiding temptation. As you get older, it will avoid you."

--Anonymous



"By all means, marry. If you get a good wife, you'll become happy. If you get a bad one, you'll become a philosopher."

--Socrates

Ouch...

A man walks into the dentist's office and asks how much it costs to have a tooth extracted.

"One hundred dollars," replies the dentist.

"Too much," says the man. "How much if we do away with the anaesthetic?"

"Well," said the dentist. "In that case, we could do it for \$65."

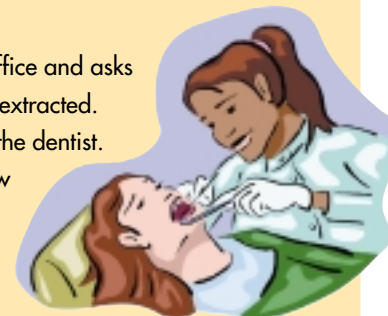
"Still too much," says the man. "How much if your intern does it?"

"Fifty dollars," says the dentist.

"Can't afford that, either," says the man. "What if your secretary does it, and I'll supply the pliers. That way, you won't have to clean your instruments after."

"In that case," said the dentist, "we could do it for \$10."

"Fine," said the man, "schedule my wife for next Tuesday."



A man speaks frantically into the phone, "My wife is pregnant, and her contractions are only two minutes apart!"

"Is this her first child?" the doctor queries.

"No, you idiot!" the man shouts. "This is her husband!"

"Don't go around saying that the world owes you a living. The world owes you nothing. It was here first."

--Mark Twain