

Industrial Supply

THE VOICE OF DISTRIBUTION



GEARING UP FOR INDUSTRY 4.0

71-year-old distributor B&D Industrial is adapting to how industry does business today

Andy Nations, CEO, B&D Industrial

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71-YEAR-OLD DISTRIBUTOR B&D INDUSTRIAL IS ADAPTING TO HOW INDUSTRY DOES BUSINESS TODAY

PHOTOS: PENDRY PHOTO

BY RICH VURVA

The current trend toward automation and data exchange in manufacturing technologies is beginning to change how distributors interface with customers. Sometimes called Industry 4.0, it includes the Internet of Things (IoT) in which physical devices are embedded with sensors, actuators and other software that send signals



Back row: Brian Davis, Linda Miller, Benjamin Nations and Lauren Lanter are part of the management team that works alongside CEO Andy Nations.

across a data sharing network. Industry 4.0 is creating smart factories that sound futuristic, but multiple applications exist today.

For example, the Applications Engineering Group at B&D Technologies recently helped design a solution for a customer in a mining application. Multiple times a day, an employee would need to check the water level on a tank located at the far end of the plant. He'd climb a ladder, visually inspect the water level and then radio back for another employee to flip a switch to start the pump controlling water flow.

"We designed a system where we put a sensor in the tank to monitor the water level. Using wireless technology, the sensor sends a signal to the motor on the pump to control the inflow of the water," explains Benjamin Nations, vice president for B&D Industrial. The solution eliminated the need for a visual inspection.

While the solution uses today's technology, it demonstrates a concept that has been in practice at this distribution company for more than 70 years.

"Customer service has always been our focus from the very beginning, because we sell pretty much the same products as the competition. So you've got to differentiate yourself with customer service, which is kind of a broad term, but we are focused on that. We look at ourselves as providing solutions, more than just products," says chief executive officer Andy Nations.

B&D Technologies is the oldest and largest of three divisions that comprise B&D Industrial, an industrial distribution company headquartered in Macon, Georgia. Formerly called Bearings & Drives, the distribution business was founded by Andy's father, John Nations, 71 years ago. The company distributes and produces custom solutions for a broad range of automation and mechanical applications. The other two divisions are B&D Service, which provides a variety of industrial maintenance solutions and repair services, while Scale Systems offers

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The third-generation family-owned company is led by cousins Benjamin Nations and Brian Davis, their uncle, Andy Nations, whose father started the business, and Andy's daughter, Lauren Lanter.

NO LONGER JUST A MAN'S WORLD

In the predominantly male-dominated distribution industry, it's rare to find a company with multiple female executives. At B&D Industrial, half of the eight-member executive management team are women. While taking pride in that statistic, vice president Brian Davis admits that it's not something the company purposely strived to achieve. "Half of the population is women, so if you set out to hire the best person for the job, logic would dictate that you'd wind up with a lot of women," he says.

It also helps to have an environment that fosters new ideas. "This company has a culture that is very welcoming to new ideas that helps foster an environment where women feel welcome and want to stay," says chief financial officer Lauren Lanter.

In 2016, B&D vice president Linda Miller was awarded with the Power Transmission Distributor Association's Wendy B. McDonald Award, which recognizes a woman who has established herself as a critical contributor to her company's success. Miller began her career as a clerk/typist at the company in 1975 and eventually rose through the ranks to lead B&D's information technology department.

custom industrial scale products and services. Many scales are used in applications where they need to be calibrated every 30 days to meet compliance standards, creating repeat service opportunities.

With annual sales of about \$100 million, B&D Industrial operates facilities in Georgia, Florida, North and South Carolina, Tennessee and Louisiana. Now a third-generation family-owned business – Andy Nations' daughter Lauren Lanter is chief financial officer, while nephews Benjamin Nations and Brian Davis are vice presidents – the company introduced an Employee Stock Ownership Plan in 2015 so employees can share in ownership.

All three B&D divisions support customers in industries such as chemical, agriculture and pulp and paper, but each division serves unique customers as well. B&D Service focuses heavily in the pulp and paper industry, while B&D Technologies has a major presence in Georgia supporting bulk material-handling projects that transport kaolin, a fine, nearly white clay mined in the Southeast and used in the production of paper, paint, rubber, cable insulation and other products.

Initially focused on bearings and power transmission products, B&D's

focus began to shift to automation products with the acquisition of Simco Technologies in 2007. Headquartered in Norcross, Georgia, with locations in Savannah, Columbus and Jacksonville, Florida, the Simco acquisition introduced expertise in industrial electronics, sensors, drives, motion control, machine safety and machine vision systems.

Vice president Brian Davis believes that, as more companies begin to utilize Industry 4.0 and IoT technologies, it will create new opportunities for technically oriented distributors.

"Suppliers are already working on technology where there's a sensor in the bearing that can send a requisition when the bearing is within two weeks, for example, of its useful life," he says. The signal notifies the distributor to send a replacement bearing to the customer so it can be installed during a scheduled downtime instead of waiting for the bearing to fail.

Suppose a plant has one line that is experiencing repeated failures, which is triggering automatic reorders?

"Why is that one line experiencing problems? Someone has to tell you why that bearing's going bad, assuming it's not just normal wear and tear. There are always going to be problem applications where you

need to get to the root cause of failures, and that's where our expertise comes in," says Davis.

SELLING SERVICES

Nations recognized early on that service was an integral part of B&D's offering to customers, which is why the decision was made to set up a separate service division focused solely on selling services. "We've always been focused on P&L at a local level, which enables us to give people responsibility for being an entrepreneur so to speak. But it also allows us to reward people for what they're doing," says Andy Nations.

B&D Service focuses primarily on large gearbox repair, the type of work that a typical distribution salesperson might not come across in day-to-day selling situations, Davis explains. "We have people dedicated to selling gearbox repairs, so their technical knowledge is superior to the average distributor salesperson," he says. "A labor-based business is a fundamentally different business from a distribution business. We have these employees in the shop that we need to keep busy. We realized, over time, that the only way to do that is to



have people focused on selling that repair business."

Any distributor can tout multiple examples of how they have helped customers. You can't be in business if you aren't focused on solving problems. "What separates us from others is that we're set up to do that over and over again. We have an entire service division dedicated to helping customers with their problems," says Davis.

E-COMMERCE SALES

Having an e-commerce presence is another critical component to conducting business in the modern manufacturing environment.

"We're not going to compete with Amazon online, but having the ability to do e-commerce is a ticket to play in 2018. If you don't have a legitimate e-commerce site and give Millennials or whomever is buying at least the ability to buy from you that way, then I think you're going to be rendered obsolete, at some point," says Ben Nations.

As a member of AD and supplyFORCE, B&D is participating in AD's eContent Service program to share in the cost of developing a comprehensive content management solution. The next step will be to decide upon the best platform for an e-commerce offering.

"The biggest issue for us now is our current e-commerce package is great for business-to-business, but it's not so great for business-to-consumer," explains vice president Linda Miller. "A lot of companies have settled on two systems, one for their B2B needs and another for B2C because of the different functionality required. I don't want to end up with multiple e-commerce solutions. I want to end up with one."

In May 2017, B&D acquired

Industrial Control Direct, an online distributor of industrial automation products and the largest distributor of IMO Precision Control products in the United States.

"Part of our strategy for acquiring them was to kind of get our arms around e-commerce," says Ben Nations. Although B&D does not plan to use the Industrial Control Direct e-commerce platform for the rest of the business moving forward, the acquisition has proved to be valuable because it has helped the company learn more about running an online storefront.

"You have to have all these things, but for our customers that we're entrenched with, they're never going to go to our site and load their orders, because that's not practical. It's inefficient," suggests CFO Lauren Lanter.

She adds that a growing number of customers are migrating toward cloud-based procurement solutions designed for business.

"It makes a lot of sense, because the customer is putting in their purchasing order and it's getting delivered to us to fill the order. So it's a much more efficient way versus any kind of website," she says.

Some customers will come to a distributor's storefront to place an order. Others want their procurement system to sync with their supplier's system. Another customer segment prefers to place orders via email, by phone or even fax. Distributors today must be nimble enough to handle whatever process the customer chooses to use.

Whether it's called Industry 4.0 or something else, as technologies and business processes continue to evolve, B&D Industrial will keep pace in order to provide the best service possible. **IS**