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Munch's Supply CEO Bob Munch credits his staff for the company's 60 years of success. Page 12

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MOVING FORWARD AFFLINK uses innovative methods to enhance its clients' supply chains. Page 42



THE RIGHT SELECTION Cole Papers offers much more than its namesake to its industrial customers. Page 76

DURABLE

MUNCH'S SUPPLY

www.munchsupply.com / HQ: New Lenox, Ill. / Employees: 270 / Specialty: Wholesale HVAC equipment, parts and supplies / Bob Munch, CEO: "Our ability to deliver everything that customers need without back orders tends to be higher than what we see anywhere else."

Caring Staff

Family owned and managed Munch's Supply has been providing wholesale HVAC equipment, parts and supplies in the Midwest for 60 years. BY RUSS GAGER



n a world where businesses come and go as quickly as revolving doors, Munch's Supply has spent the last 60 years creating its legacy of service in HVAC distribution. Simply put, being a valued partner and making it easier for customers to do business are as much at the heart of every interaction today as they were in 1956 when Willard Munch, a trade electrician, started stockpiling supplies for his weekend side jobs. In those days, supply houses were few and far between, and his electrician friends found it easier to stop by his garage than take long drives to buy supplies. Before he knew it, Munch was making more money doing that than he was at his full-time job, and Munch's Supply was born.

Today, Munch's Supply prides itself on keeping a deep inventory of wholesale HVAC equipment, parts and supplies. It isn't every distributor that carries 8,000plus SKUs. "If you're a contractor and you're installing a furnace or air conditioner, and your delivery shows up missing one item, you've lost a day," CEO Bob Munch emphasizes. "Contractors need 100 percent of all they ordered to complete a job, not 90 or 95 percent. It's critical that you are able to deliver a system complete where and when they need it."

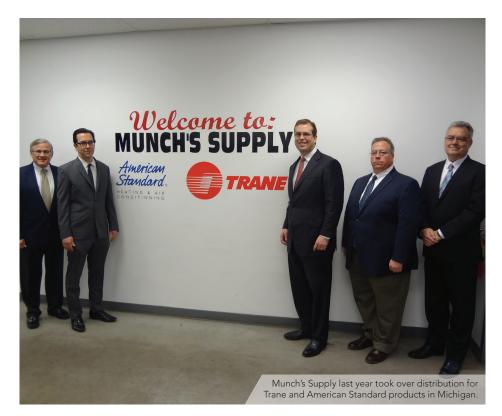
Inventory depth, a high level of customer service and an understanding of its customers' needs set Munch's Supply apart from competitors. "If they need it to a job site at 2 a.m. Sunday morning, or if they need it to their shop at 7 a.m. Monday morning, that's when we'll deliver it," Munch stresses.

MUNCH'S SUPPLY

Munch's Supply serves customers in metropolitan Chicago and northern Illinois, northwest Indiana and Michigan's lower peninsula. The Chicago-based company first expanded outside its backyard in September 2015 when it took over distribution of Trane and American Standard products from Ingersoll Rand for the state of Michigan.

Currently, it operates seven branches in the Chicago market and three in Michigan. The locations average 50,000 square feet and hold inventory from more than 100 vendors to be able to fully serve its residential, commercial, geothermal and radiant customers.

"Our strategy is to be located conveniently to our core customer base," Munch says. "Plus we offer seven-daya-week, on-demand delivery. We pride ourselves on being able to deliver whatever they need, wherever they need it."







IN-HOUSE FLEET

To offer this level of customer service, Munch's Supply has a fleet of 55 vehicles, many of which are 16-foot cube vans or box trucks.



"Our strength is providing customized, value-added solutions."

– Bob Munch

"Some of our vehicles are even larger," Munch says. "We also have flatbed trucks for delivering our commercial rooftop units.

"The items we deliver range from a few parts and pieces to full or multiple systems – anything that they need to install or service a piece of heating and cooling equipment." The fleet is maintained by third-party service providers.

In some cases, deliveries can even be more complex, such as placing HVAC units on rooftops with cranes or even by helicopter if the height or size of the structure makes placement by crane difficult or impossible.

This emphasis on meeting customers' needs is one of Munch's competitive advantages. "We are focused on customer service with a flexible approach," Munch notes. "For us, it's never one-size-fits-all. Our strength is really understanding what those needs are and being able to provide customized, value-added solutions."

GOING DEEP

Keeping its customers well-stocked means deep inventories for Munch's Supply. "We definitely control our inventory levels by looking at turns and outages, and we pride ourselves on having the inventory in stock when the customer asks for it," Munch asserts. "The feedback we get from our customers is that our order fulfillment is unmatched in our regions. That's something I'm really proud of."

That level of performance requires meticulous planning. "The key in inventory control is balancing – you never want to have more than you need on the shelf, but you don't want to run out either," Munch explains. "So we keep both top-of-mind when we think about ordering inventory."

Besides its Eclipse enterprise resource planning software from Epicor, Munch's Supply also relies on input from its talented team. "The history of what you've sold always informs your buying decisions, but there's also the trends in the industry – seasonality and the sales forecast that are all used in our purchase planning," Munch says.

Past experience and weather forecasting also figure in Munch's inventory calculations. "Weather trends are part of our decision-making on what to order and how early in the season we choose to order," Munch says.



Demand for most products is consistent throughout the year, but weather extremes will cause unexpected spikes in demand. "While seasonal changes definitely affect the product mix sold, we still sell furnaces and air conditioners throughout both seasons," Munch stresses.

"Primarily, we're selling and stocking

both throughout the year," he says. "Any change in the season – whether it's more mild or more extreme than normal – will have an impact on sales."

Some of the distribution centers use bar code readers that prompt pickers on the most efficient path throughout the warehouse to fulfill their orders. The material-handling equipment used in the distribution centers includes forklifts, clamp trucks and order pickers.

LIVE TRAINING

Munch's Supply holds training sessions year-round that are open to dealers and employees at both branch locations and in its 6,000-square-foot, state-of-the-art training center that includes a classroom and lab. "We do a variety of training in both a classroom and hands-on lab setting," Munch says. "In the lab at our Hillside, Ill., location, we have over a dozen systems that contractors can work on and troubleshoot." Some courses are sales-based, focusing on product features and benefits, while others are technician-focused.

Classes are taught by Munch's staff members, manufacturers' representatives and third-party trainers. "We find an expert in the industry, and that's who we're



MUNCH'S SUPPLY



bringing in to teach the classes, both sales and product," Munch declares. "We also do a large amount of business training focusing on business management, financial and accounting for customers, and also sales training, teaching contractors how to conduct an in-home selling process."

Some of the training results in certifications from manufacturers, Munch's Supply, the Environmental Protection Agency, the North American Technician Excellence organization and the National Comfort Institute.

60TH ANNIVERSARY

"Munch" isn't just the name on the door. Still family owned and managed, Munch is the third generation to be involved in the business. Working next to him is the fourth generation. His daughter, Claire Munch Macfarlane, is the company's director of customer service.

Munch attributes the company's longevity to involvement by employees and families. "We are very proud to be around 60 years," he says. "I think our staying power has a lot to do with the people in the company. We've got a great staff and many long-time employees. In some cases, we have multiple generations of the same family working side-by-side in the business. I think that speaks to the culture, and I think that's what makes our company special."

In 2015, Munch's Supply was ranked in the top 30 HVAC distributors nationwide by Heating, Air-conditioning and Refrigeration Distributors International, Supply House Times and The Wholesaler. The company also has received the Trane Pacesetter Award in 2012 and 2014 as well as the American Standard Pinnacle Award in 2013.

Providing the best customer service is still most important at Munch's Supply. "Our staff puts the customer first in every interaction," Munch emphasizes. "They go the extra mile to understand their needs. You can't fake that. Whether it's 1956 or 2016, our goal is still to make people's lives a little bit easier. At Munch's Supply, it's all about integrity - maintaining relationships - saying what you mean and meaning what you say. I think that's the key to our success." \Box



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