



## Lanair focus on marketing, employee culture pays big dividends



### The Janesville heats up the market by focusing on growth

In October of 2009 when Barry Brandt purchased the family-owned and operated Lanair Products, LLC of Janesville, he knew he had a winner. The popularity of the company's waste oil -fired heaters was growing. More and more state service stations were using the heaters to convert used motor oil into heat – simultaneously eliminating the need to dispose of waste oil and purchase heating fuel. The savings made it an easy sell. Relying on his business background, Brandt knew he could grow the company to tap a greater share of this lucrative niche market.

### Culture Shock

Although the product was solid and the market was promising, he had to overcome one of the toughest obstacles any new owner faces – rebuilding the company's culture. "When I walked into the plant, I noticed that there were cameras throughout the facility," said Brandt. Employees were continually monitored as a means to promote productivity; instead, the result was paranoia. "Obviously, the employees were ready for a new atmosphere," said Brandt, "After shutting down the cameras, we began developing ways to encourage employee input and develop a culture based on integrity and respect."

Along with creating a new leadership team, Brandt realized he needed to develop a business plan for the company, so he tapped the Wisconsin Manufacturing Partnership for assistance. After an initial discussion with Steve Harrell, regional manager, and Laura Voll, growth specialist, Brandt realized that what

### Results

By developing a strategic marketing plan and focusing on employee engagement, Lanair:

- ▶ helped evaluate the value of an acquisition that has doubled the business
- ▶ developed solid growth goals and an actionable plan to reach those goals
- ▶ is bringing jobs to Wisconsin by consolidating manufacturing facilities in Janesville

the company needed most urgently was a strategic marketing plan. Traditionally, Lanair's marketing spend had been substantial, yet there were no clear goals for the marketing efforts and no metrics in place that tracked results.

### Taking Stock

"The first thing we did was evaluate where the company was in terms of how it saw itself, and compare that with how the market viewed the company," said Voll. Historically, the company's positioning had focused on being the low-cost leader in waste oil heaters. However, a market analysis found that customers purchased the heaters from Lanair not because of price, but because they valued the ability to purchase the heater directly from the factory, rather than from

a distributor. "Service station owners and managers don't need to pay a distributor to come in and install and maintain a mechanical device. They prefer to do it themselves," said Voll.

Once the core message – "Factory-direct" was established, they developed a growth goal of 10-15% per year and began to plan how to reach that goal. The first thing they did was to review and segment the database of customers and potential customers. "We developed customer profiles, then developed a plan to reach each customer segment," said Voll. The tactics to reach customers used a combination of direct mail, the website, search engine advertising, telemarketing and trade shows.

## Focus on People

During the five months Voll was working with Lanair to develop and implement the strategic marketing plan, Brandt was focused on rebuilding business from the recession that had reduced sales by 35% from the previous year. "We had to reduce our staff, which complicated our efforts to build employee trust and motivation," said Brandt. "Through it all, we continued to work with our employees, provide training and make small changes that mattered to people. Over time, trust and real communication were established."

## Renewed Growth

This growing bond played a key role in November of 2010, when the company purchased Clean Burn of Lancaster, Pennsylvania, a manufacturer of industrial-size waste oil burners sold through a distribution network. "We're moving manufacturing from Pennsylvania to Wisconsin; few employees will be relocating to Wisconsin, so we will be hiring the staff required to support this endeavor," said Brandt. "There are always challenges when bringing two companies together, but our employees are committed to the company's success, and the

***"The marketing work that we did with WMEP allowed us to clearly identify the opportunity the acquisition presented by helping us differentiate the brands and create a strategy to keep both brands and sell into their respective distribution channels."***

Barry Brandt  
President, Lanair Products, LLC

consolidation is going very well. WMEP is providing a lot of expertise in helping us to integrate Clean Burn into our existing manufacturing lines." Wil Cox from WMEP is facilitating an integration process. "With Wil's help, we have taken a daunting task of moving an entire business and broken it down into pieces that are much more manageable," said Brandt. This has dramatically reduced the time and expense the transition would have taken.

With the acquisition of Clean Burn, the combined company now is the market leader in waste oil heaters, and is looking toward the future. "We're refining our product lines and marketing plan to target specific market segments, and we're developing a plan to increase our international presence," said Brandt. "the marketing work that we did with WMEP allowed us to clearly identify the opportunity the acquisition presented by helping us differentiate the brands and create a strategy to keep both brands and sell into their respective distribution channels. We have doubled our business as a result of the acquisition and we expect that figure to continue to grow in 2011-12."

**For more information, visit [www.wmep.org](http://www.wmep.org) or call 877.856.8588.**



Wisconsin Manufacturing Extension  
Partnership

2601 Crossroads Drive, Suite 145  
Madison, Wisconsin 53718-7923

[results@wmep.org](mailto:results@wmep.org)

[www.wmep.org](http://www.wmep.org)