

Selling Service

From humble beginnings, Michigan-based distributor Don Benham has built a \$3 million company on the premise that service, not volume, is the key to staying on top of the heap in the highly competitive chemical market.

by Ron Hall, assistant editor



Don Benham stands in the warehouse where he began his chemical business five years ago. He now uses three warehouses to supply his clients in Michigan and Ohio.

One idea and just five short summers ago Don Benham found himself with a used metal desk and a pair of card table chairs—one for him, the other for his sole salesperson, Paula Dietz. He housed his office in a warehouse behind a neat but small office complex near the scenic community of Walled Lake, MI, just outside of Detroit.

He'd put up everything he and his wife owned to start Benham Chemical Co., a chemical distributorship. In fact, he, his desk (which had been given to him by a friend), and his entire company occupied only half the warehouse. The other half was used by another company.

His idea was bold; to sell products from every major chemical manufacturer.

What he had going for him was 18 years experience in the chemical business (he had headed L & E Chemicals of the Long Equipment Corp.) and faith he could build a business based on the idea of service.

But, he had to convince the large chemical manufacturers he could serve them too, even though he would also be handling products from their competitors.

Benham, a large man with sharp blue eyes and streaks of silver in his hair, is a good businessman. He's also persuasive.

Gaining support

Although several manufacturers balked at his idea to represent all the major companies, he eventually gained their support, both in the form of selling him their products and extending him the credit to do so. First he reached an agreement with Estech, then with Mallinckrodt, picking up the Diamond Shamrock (now SDS) line of products shortly thereafter.

Benham was in business.

This August, Benham Chemical Co. celebrated its fifth year in business, its sales and office staff has grown from two to seven people, and the young company is anticipating a dollar sales volume of \$3 million during 1984.

Benham and his close-knit staff have built the company to the point that it receives annual recognition



General Manager Frank Forier also serves as Benham Chemicals' credit manager and has been active in the Green Industry for 25 years.

from most of the major manufacturers it represents as one of the top, if not the top, distributors in the entire nation; all this in a service area that covers southern Michigan, extending well into the central portion of the state, and all of northwestern Ohio; and all of this in a remarkably short time.

Benham credits several factors for the success of his company, not the least of which was his initial decision to sell service as well as products.

The best, not cheapest

"Everybody is out trying to sell chemicals cheaper," Benham said. "Of course, we want to be competitive, but we want to sell the proper chemical for the proper job and for a proper profit. We are not always the cheapest place. We feel that service to the customer is more important than price and we feel most of our customers realize this.

"It takes time sometimes to convince people that they need service. Golf course superintendents recognize they need the service, but many lawn care customers take awhile to realize it. We didn't build this business because we could sell it cheaper."

In line with this philosophy, Benham keeps modest stores of chemicals at small warehouses at his home office in Walled Lake and also at Grand Rapids in Western Michigan as a convenience for customers who have jobs that need immediate attention. His main warehouse is in Dearborn where his company shares shipping facilities with Terminal Sales Corp. which serves retail outlets with many of the same products.

His sales people drive vehicles, either station wagons or vans, that can haul small emergency shipments. The sales staff keeps in contact with the home office with portable "beepers." This is probably more of a convenience to his smaller customers who might need small supplies of a particular product to meet an emergency but Benham said he provides them the same service as the bigger accounts. The reason—as he discovered firsthand—is obvious.

"Five years from now the one-man, one-truck customer might be a major company," he pointed out.

Experienced staff

Another factor in the successful Benham equation is the experience and quality of his sales staff which

includes just about everybody on the payroll. Everybody sells, even the boss.

Frank Forier is the company's general manager. Prior to joining Benham's team he headed Terminal Sales Corp. and served as president of both the National Lawn and Garden Distributors Association and the Michigan Turfgrass Foundation (MTF). Paula Dietz is a former state turf extension agent, while Vic Bennett, who handles Toledo and northern Ohio, and Marvin Dominick, who operates in the Flint-Saginaw area, were both golf course superintendents and former customers of Benham. David Phillips, Benham's western Michigan representative, operated the lawn care division of McDonald Nursery in Saginaw. Rounding out the staff is Office Manager LuAnne Susick who, although not technically a sales person, probably takes as many orders over the telephone as anyone, Benham laughed. And the boss, Benham, is a board member of the MTF and, on this particular afternoon, was knee-deep in the planning of a regional Professional Lawn Care Association of America meeting.

All of the staff is active in various industry associations, something Benham insists is essential to the health of his business and the industry in general.

"The companies (manufacturers) are getting smarter," Benham said. "They want to see the background of the people selling their products."

What's ahead

Several major changes have occurred in the chemical business in the past five years and one of the most notable has been the rapid growth of the still relatively young lawn care industry. "Our biggest increases in sales came from the lawn care market," Benham said. "I didn't expect it to be that strong." Initially 95 percent of Benham's business was generated from golf courses, and although that continues to be a big part of his business (about 50 percent), the lawn care industry has literally taken off. What is remarkable, he feels, is that it occurred during the worst economic period in the Detroit/Toledo area since the Depression.

"We grew during those periods when the industry went kaput," Benham said. The company met its first-year \$550,000 sales goal and has made "significant increases" each

year since. "We passed my five-year projection in the second year," he added. In more recent years he's been more accurate in predicting sales. "Last year we were within \$14 thousand of what we predicted. We spend a lot of time working on our figures," Benham said.

There are no immediate plans for territorial expansion for Benham Chemical. "We've had to turn down business from other areas because we can't service them like we would like to," Benham explained.

But, he continues to seek controlled expansion within his business area. "We have a lot more expansion and a lot more things to do in our own area, but we're actually having to watch a little that we don't grow too much and grow out of our location."

The growing sales of bulk chemicals to lawn care businesses seems to fit Benham's service philosophy perfectly and he is openly enthusiastic about it. His company entered into a unique agreement with Bulkem Inc., Normal, IL, last fall to be that company's exclusive representative in his

area. "We stopped being competitors and started being the same company," Benham explained.

Although bulk chemical sales account for only about 10 percent of his company's business now, he pre-

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dicts that by 1986 they will account for 40 percent. "It's changed this business entirely," Benham said. He predicted a growing market for bulk liquid fertilizer and revealed his company is contemplating putting up its own bulk fertilizer plant as well, perhaps as soon as next year.

There are several reasons, economical and ecological, why Benham

believes the bulk chemical and fertilizer markets will grow. Price is the most obvious, particularly to companies that would use the contents of a 220 or 550-gallon tank of chemicals in a season. Purchasing by bulk also eliminates the problem of storage and disposal of empty, potentially harmful drums and containers. Some of the company's customers now have permanent tanks for each individual chemical.

The Benham Chemical Co. has come a long way since occupying half of the warehouse behind his present office although he still uses the same metal desk that was given to him by a friend. And he still follows the same business philosophy based first and foremost on service.

Benham is entitled to flash a wide smile when he relates how new acquaintances not familiar with the Green Industry react when hearing about his business.

"The guy might look at me and say, 'Can you make a living doing that? What do you do in the winter?'"

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