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People Fuel the Growth at Northern Factory Sales

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Northern Radiator: a “We” Company of Motivated and Talented People

WILLMAR, MN -- “Our company has always been about our Northern employees. That’s why I’ve always said it’s a ‘WE’ company, not a ‘me’ company,” Roger Gauquie, President of Northern Factory Sales. If you ever have had the chance to spend some time with Roger or even engage him in a brief conversation on a trade show floor, you know that he has something special. He is friendly, sincere, very funny, and communicates very well with most people because he is genuine. Roger, of course, would suggest in his self-effacing manner that he has the “gift of gab.” But those who work with him know that he listens, he thinks, he remembers and he cares. These are the same un-



Hope Thompson, Vice President Marketing; Roger Gauquie, President; Chuck McKaige, Vice President Sales are perhaps the most visible members of the Northern Radiator team.



The company began in Willmar, MN as Northern Factory Sales in 1971. They have gone through facilities and expansions since then. This is Northern Radiator’s current headquarters office and main warehouse.

derpinnings of Northern.

“I am proud of what we do because it works. We provide the cooling system industry with world-class products, service and availability of inventory. If it moves, we want to heat and cool it,” said Roger.

Roger has spent the last 41 years in this business with the same firm, today known as Northern Radiator. That is just about all of his professional career.

A career of hard work and caring began in his early teens when he worked for the family restaurant and gas station in the southwestern corner of Minnesota. It didn’t end when he signed on at Northern Factory Sales. Willmar, in central Minnesota, is located in the state’s agribusiness region. It is about a 2-hour car ride from Minneapolis-St. Paul. It is the largest city in Kandiyohi County with a population of approximately 19,000. Although there aren’t many people, there are many, many large farms and farm-support businesses.

Roger got his start in the radiator business when Evan Rohne hired him as an inside sales person for the young sales firm. Evan’s father, Edwin, owned Rohne Radiator in Minneapolis. When Evan returned home after serving in the U.S. Merchant Marine in 1947, he moved out to Willmar and opened Evan’s Radiator that he was to sell in the late ‘60s. In 1971, he and his wife, Darlene, began Northern Factory Sales to sell radiator shop supplies, equipment and to rep a/c parts and cooling products. They represented



“We have a good thing going here and some of my best friends in the world are in this company.”



Circa 1980 when Roger Gauquie and Nathan Rohne work the booth at a NARSA trade show.



The Marketing Department is (left to right): Hope Thompson, Candace Grabinger, Karl Thompson, Lillie Berczyk.



Purchasing is (left to right): Kay Johnson, Jan Baker, Randy Klein, and Tracy Payne.

firms such as U.S. Auto Radiator of Detroit, a manufacturer of heater and radiator cores; Fedders of Buffalo, NY, Alamo Mfg. Co. and AMC/Frigette in Ft. Worth.

Roger joined Evan, Darlene and their two sons Galen and Nathan on Feb. 1, 1975 in inside sales but they all did a little bit of whatever it took to get the job done.

During the winter months, he went to community college and worked the phones and counter, and did some marketing for Northern Factory Sales. In summer, he hit the road as an outside salesman. The story goes that Evan gave Roger a pile of catalogs and sample heaters and told him to hit the road and come back when he finished selling their inventory. They eventually became known as the heater people and they could supply a broad number of applications because of their ties to the Ford Green Island heater plant, U.S. Auto Radiator and FEDCO.

They continued to grow the company adding warehouses in Minneapolis, MN and Des Moines, IA. By 1987, Evan and Darlene were ready to retire and they sold it to Galen Rohne, Nathan Rohne and Roger Gauquie. The three young men had expansion plans and saw opportunities in small to medium markets. They added locations in Omaha, NE; Billings, MT; and Albuquerque, NM; as well as expanding to their current 80,000 sq ft headquarters. Growth continued through the years and today, Northern employs 115 people at its 19 locations in 14 states. Galen, the older brother, retired in 2005. Nathan retired in 2014.

Although they fueled their growth for close to 20 years with the radiator repair business as their primary base, they recognized that innovations in product, marketing, communication and distribution would affect opportunities as the market shifted away



Accounting and IT Departments (left to right): Becky Corle, Nancy Peterson, Stan Stubeda, Jerry Sweep, Carol Beekman, Scott Samuelson, Paulette Jensen, and Zac Walz.



The movers and shakers of the warehouse include: Dan Anderson, Gary Fried, Tom Peterson, Brad Serbus, Chris Guse, Devan Johnson, Devan Lund, Joe Ridler, Nick Sherman, Greg Kamrowski, Jake Frericks, Dennis Bruyere, Zack DeGraw, and Tom Holt.



Founded as Northern Factory Sales they have been transitioning the brand. This is the first Northern logo that was used.

The newest logo links Northern to its primary product line but continues with its distinct text and look.



R&D Department (left to right): Brent Wessels, Andy Sundstrom, John Koshenina.



Customer Service, Inside Sales and HR teams include: (standing left to right) Traci U'Ren, Sara Lund, Justin Ruter, Jenny Schafer, Denny Engelmann, Lynette Stueckrath, Josh Swift, Riley Johnson, Jeni Gafkjen, Lisa Smidt, Shelly Kubesh, and Becky Corle. Seated to the left is Rose Serbus, and Meagan Ramos on the right.

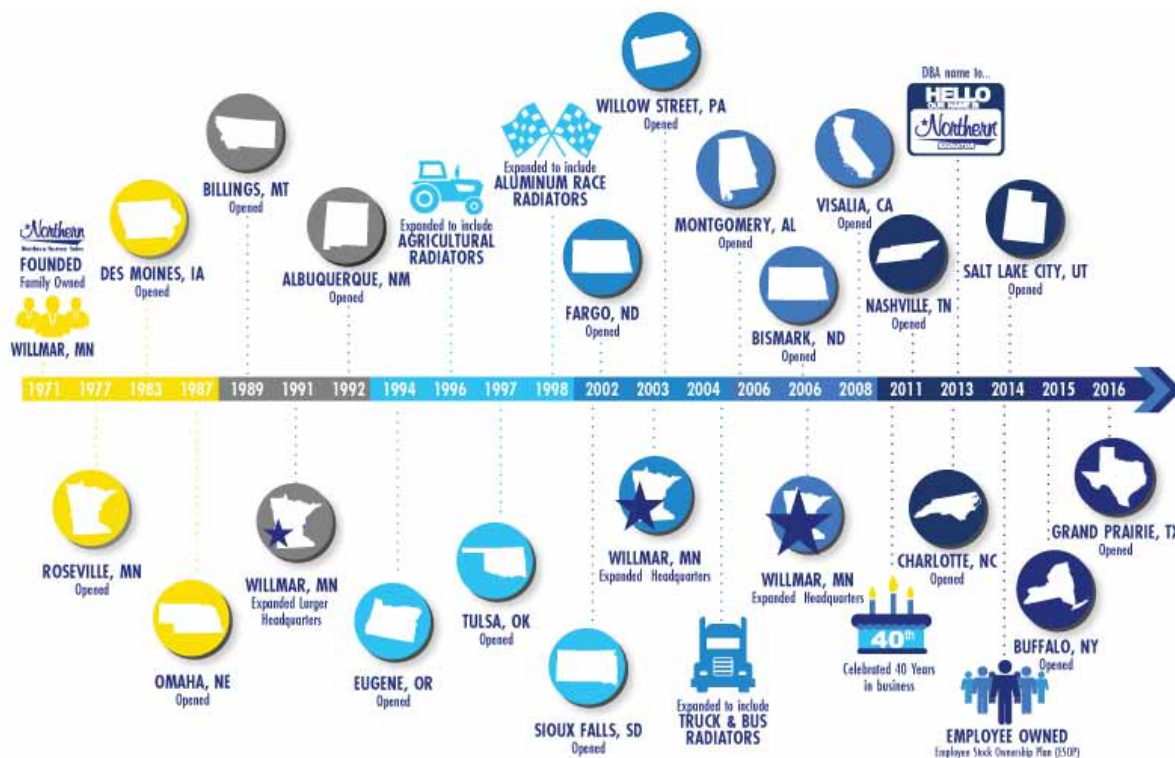
from semi-finished products to out-of-the-box replacements.

That wasn't all that Northern was seeing. The company also saw a need to continue to broaden and deepen the product lines. In 1996, they invested in the expansion of their agricultural radiators. In 1998, they began a relationship with ThermoSys who at the time was one of the leading manufacturers of aluminum automotive cores and radiators. Northern worked with them to develop tooling for a broad line of products for automotive racing

and high performance – a niche in which they have become very well recognized today as a market leader.

Roger credits his people at Northern Radiator who embrace a culture of product and customer development for their success within multiple market segments and lines. At the heart of it all were continued product development, consistent product availability, and product support with proper cataloging and trade show participation. Roger began by listening to customers about their needs and he built a culture that would attract similar creative and thinking people like himself. His plan works.

“We don't sell our customers. We work with them to build



Northern continued its expansion with the acquisition of some industry companies as well. Northern purchased D & K Distributing (Dick and Carol Childers) in Eugene, OR; Rad Mart Sales (Bo and Louise Gann) in Tulsa, OK; United Supply (Gary Weber and Bob Weber) in St. Paul, MN and Tanks & Tabs (Joe and Sherry McGovern) in Nashville, TN.



As an innovator, Northern will use different materials and designs to achieve the best product for their customer base.



Their products cover a lot of ground including passenger car, heavy truck and equipment, farm equipment as well as high performance and racing. From buses to forklifts, from air boats to outdoor recreational tracked and wheeled vehicles. One of the key strengths they bring to market is the width of their product lines.

programs that work for them,” commented Roger. “Radiator shops are near and dear to me and are very much part of our business but not the only part. We don’t sell to consumers, just business to business. Each industry has different paths. We prosper by supporting our customers.”

He said he recognized the influence of finished products like complete heaters, radiators, and charge air coolers in automotive, and then agriculture, high performance and racing, and now over-the-road truck and how they would impact the radiator repair shop. Product availability opened other markets. “The ultra-successful radiator shops have inventory,” he said.

Their strategy includes total commitment to product availability. A look at their catalogs website and additional marketing materials are the testimony to that. They seek depth and breadth with their inventory. They say they are adding 30 to 40 parts each month and they make a major investment in engineering with their in-house Research and Development Dept.

“We make a huge commitment to inventory. We want a fill rate of 100% and use our power of inventory to build our success,” said Roger, “We are not at 100% but pretty close.”

Demand drives sales and they communicate extensively with customers and track usage hits and maintain application cross-references from actual experience. The flow goes the other way too. Customer intelligence that drives the Northern service and fulfillment operations is used to maximize efficiencies with product manufacturing. They work diligently to maintain good and lasting relationships with their manufacturers. Said Roger, “We know who we are aligning ourselves with.”

The heart of the operation and the strength of the organization are the people who are Northern Radiator. Many have been with the company for 10, 15, 20, 30 years while for others it has been the only place they know. They are from the community and enjoy being part of the energy that is generated by their co-workers. “Quality is job one for all of us,” said Roger. “Our strength is the quality people we are. Our people are challenged to do their best every day and they don’t let you down. They are empowered.”

Northern has had its share of suitors and when Nathan wanted

to sell his share to retire, Roger and Nathan began to focus on the future. Not just for them but for all the people at Northern Radiator. They had ample opportunities to sell it and for good money but it wasn’t what they wanted. “We wanted to find the right vehicle for a “WE” company and not a “me” company. We didn’t want to see it dismantled or moved. After 41 years, it was time to think about retiring but we wanted to find a way to keep it going.

“It wasn’t about the money. It was about our responsibility to others. We have a good thing going here and some of our best friends in the world are in this company. We wanted to do something that would help all of us to continue to grow.” In 2014, as Nathan retired, they formed a 100% Employee Stock Ownership Plan (ESOP) company. The employees now own Northern Radiator. Roger continues on as a trustee and president.

Until 1974, ESOP’s were practically non-existent. Today there are close to 6500 plans covering more than 14 million employees in the U.S.

Continual investments in the future include process improvements, and tooling improvements. In engineering, they made a large investment in scanning equipment to reduce time and to increase accuracy in design. Other technology investments include expansion of Internet capabilities and management software.

Vice President of Marketing Hope Thompson is indicative of the talent on board at Northern Radiator as well as the opportunities afforded there. She started in 1998 in customer service and continued to expand her responsibilities. One of the constants for her has been the development, integration and expansion of Internet tools to facilitate customer service and customer satisfaction and convenience.

Said Hope, “We need to embrace change. We can’t run it like we did in 2011. We need to be willing to invest in technology. There is no end point to web development and we need to adapt.

“We still need to answer the phone. We need to still take the order. The website helps us tie it all together.”

She said they have seen great results from their web presence and are looking to build on them. “We’ve always tried to make



By using high-tech scanning machinery and software they are able to communicate product changes quickly and efficiently with their manufacturers.

sure our customers are informed and we continue to provide them with what they need to know.” She said they are currently on the third version of Northern Radiator website and working on their fourth. “We have good teams working on them.”

Hope says the work atmosphere is very family-first oriented and has been a good career for her. “We are not super structured. We are not corporate. We are more small town.” That is the way they like it. They get the job done effectively and Northern has been on a steady growth path.

Hope sees that their continued growth will be through expanded product lines, finding new potential and new distribution. “We

are going to continue to put the foot on the gas.” Where else are you going to find a radiator for very unique applications?

“Northern Radiator has more than 12,000 SKU’s in heat transfer product,” noted Chuck McKaige, Vice President of Sales. “Our inventory is a great asset to our sales team. It provides us the ability to service our customers in a variety of industries, very quickly.” He goes on to mention, “Being the leading aftermarket provider for Agricultural, HD Truck & Bus, Performance and Industrial applications means we have the products our customers need, when and where they want it. Our 19 warehouses allow that to happen and we’ll continue to expand our footprint in the future.”

Commented Roger, “It has been a learning and growing curve. It has been fun to see it grow. We’ve retired a lot of people out of here.” He said they need to be a profitable company and will capture the full cost of their products and service. “We are not the next cheap dude. We need a reasonable profit. We do not drink the Kool-Aid of under-valued product. We pay our bills and we refuse to be in the race to the bottom.”

How do you make a successful company? Roger and company have done it by being a company of motivated and talented people that embrace innovative development, quality service and effective product availability with a lot of Minnesota nice. ■