

Harvey Keeps Its Focus on the Long Term

Despite market downturn, New England-based manufacturer/distributor has continued to expand

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While many window and door companies have cut back on their operations in recent years, Harvey Building Products has bucked the trend. A long-time leader in the New England market, the regular *Window & Door* Top 100 manufacturer moved into a brand new window and door plant in New Hampshire in 2007 that was twice the size of its previous facility. It also branched out of its home territory, adding new distribution facilities in New Jersey and Pennsylvania in 2008.

"We're not immune to current market conditions, but we're more focused on our people, our customers and our products," says Tom Bigony, co-chairman and CEO. As a privately held company, and one that has remained fairly conservative and stayed out of debt, he notes, Harvey can afford to keep its eye on the longer term. "We don't have to worry about the price of our stock on a day-to-day basis or the latest quarterly sales figures. We don't have to answer to outsiders and run our business on that basis."

"It's a challenge maintaining that core business," admits Erik Jarnryd, co-chairman and CEO, describing the current business climate. But Harvey has long followed a path of "defined growth," he states. It has steadily added operations since its start in 1961 and is not stopping with the current downturn.

Branching Out

Based in Waltham, Mass., Harvey is a fairly unique hybrid, manufacturing windows, doors, and patio enclosures, as well as distributing a wide variety of building products through its numerous locations in the Northeast. The company primarily sold siding and other aluminum remodeling products in the beginning, with a consistent focus on serving professional customers, including dealers, contractors and builders. It established its new construction division in 1985, manufacturing both wood and vinyl windows, and now operates three plants. With steady expansion over the years, the company now has more than 30 facilities in Massachusetts, New Hampshire, Rhode Island, Connecticut, Maine and New York. As for the recent moves into New Jersey and Pennsylvania, Jarnryd notes, "We have no choice, we're basically saturated here," referring to Harvey's New England base.



Harvey's leadership includes, from left to right, Alan Marlow, president and COO; Jim Barreira, EVP and general manager; Tom Bigony, co-chairman and CEO; and Erik Jarnryd, co-chairman and CEO.

While Harvey didn't specifically choose to branch out beyond its home turf in these current market conditions, James Barreira, executive vice president and general manager, points out that the timing does have advantages. "We're very systematic, when it comes to new markets," he states, noting that the company first enters an area with its window and door lines. The company's goal with all its operations is that "no one in that market can offer better service." Barreira notes that with business slower than usual, Harvey can come into a new territory and "really overservice" new customers as it builds up the infrastructure needed, "setting the foundation" for when times get better.

A key part of that foundation, Bigony states, is extremely strong relationships with its customers. "We want their local warehouse to be their lifeline," he explains. Whether it's a specialty dealer that buys 1,000 windows a year or a remodeler that may buy \$15,000 worth of building products over an entire year, "we want them to know the inside sales staff, to get along, to know they're going to be there to help."

That includes strong support on the sales and delivery side of the equation, and quick response when it comes to field service, he continues. "You need to be easy to do business with," Bigony says, but the company also goes a step further to foster its relationships with its professional customers. One way it does that is through incentive programs for its customers. The company is well known for its "glamour" trips, he notes, and these have included destinations ranging from Hawaii and other tropical resorts to European cities such as Stockholm and Saint Petersburg. "We don't just give them a ticket. We get to know them on these trips," he continues, emphasizing that the trips are all about long-term relationship building.

"Customers become friends with us, and with each other," he continues, pointing to couples who say they've become best friends as they've traveled together over 15 or 20 years.

More recently, Harvey has looked to support its professional customers with the addition of product showrooms at many of its locations. The company opened its first one in 2003, and has also introduced standalone showrooms since that time. Featuring a full range of products—including the company's own windows and doors as well as building products from many of its other suppliers—the showrooms are used by customers to show homeowners various offerings and options. They also include areas with tables and chairs where customers can sit down with homeowners and work out the details of a project.

Higher profile

The company also has stepped up efforts to raise consumer awareness of the Harvey name and bring homeowners into the showrooms itself. It recently changed its name from Harvey Industries to Harvey Building Products, a move designed simply to make it more immediately evident what the company offers. The change is important, according to Matt Samson, VP of marketing, as Harvey expands into new areas where it is less well known, but also for communicating with the general public in areas where it is established.

The change in name and desire to bring homeowners into its showrooms do not represent a change in the way it goes to market, Samson emphasizes, however. The company remains committed to its long term approach of selling through professional customers. Homeowners that come into its showrooms on their own to look at windows, doors or other products are referred to contractors among Harvey's existing customer base. "The showrooms are staffed with people that can provide advice on design options. They'll talk about good, better and best, but they don't talk about price," Jarnryd adds. Homeowners are told that information comes from the contractor or dealer, and that approach to date has worked successfully.

While some in Harvey's professional customer base may have been a bit apprehensive that the company might have wanted to start competing directly with them initially when the showrooms were first launched, Barriera recalls, most understood the reasons for doing it and the value it could offer them. The whole home improvement category was seeing increased brand awareness, he notes, pointing to the emergence of big boxes. Harvey saw the showrooms as a way to establish its own expertise and the expertise of its professional customers in the field.

Harvey customers have responded positively and are putting the facilities to use. "My partner and I are now able to conveniently meet with customers to show them windows, doors, roofing, siding, flooring, rail systems and more," reports Chick Beaulieu, principal at Chick Beaulieu Inc., a general remodeling company based in Nashua, N.H. "We've been able to sign a quote with customers after demonstrating various products while visiting. On the whole, the facility is a great selling tool for contractors, enabling customers to see and use the proposed products." "We use the Harvey showroom as if it were our own, knowing that the staff will take care of each customer we send there," says Jim Shields, owner of Northshore Window & Siding, Somerville, Mass.

In addition to homeowners sent in by their contractors, or coming in with them, about half the traffic coming into Harvey showrooms at this point is homeowners that come in, Samson reports. Because of that, in addition to providing a service to its professional customers, the showrooms have become a valuable lead generation tool for them as well, as Harvey forwards those homeowner names to its existing customers. It continues to expand its support efforts now on that front, he continues, pointing to Harvey's recently

revamped Web site that has also been upgraded to speak to general consumers and provide a new lead generation tool for Harvey customers.

While Harvey has seen a flurry of activity on the distribution side of its business over the past year, the company's manufacturing operations have not been ignored. As noted, it recently moved into a new 375,000-square-foot manufacturing plant in Londonderry, N.H., that provides the company capacity for further growth. The company manufactures wood and vinyl windows and patio room products at the state-of-the-art facility, as well as pre-hanging doors. It recently launched a new product line as well—the Tribute vinyl window—designed to offer higher performance levels than its previous products as well as a more attractive new look.

The company's manufacturing operations have evolved over the years, Bigony states, implementing the latest in production control systems, automated equipment, lean concepts, and quality control procedures that have enabled the company to receive ISO certification. However, Harvey's biggest asset on the manufacturing front, he emphasizes, is its people. "Most of these employees have been with Harvey for years," he states, pointing to the factory floor. They also bring in their friends and relatives to work for the company, he notes, because "they know we value them, and we're going to treat them right."



Harvey moved into a brand new manufacturing plant in New Hampshire in 2007.

That approach to its workers, which includes such tokens as free turkeys annually at Thanksgiving, Bigony adds, is another example of the company's long term perspective. Given the fact that it operates in a region known for a generally tight labor supply, Harvey's reputation as a good employer that values its workers pays off in particular in the good times. Right now, times are lean, Bigony says, but management continues to let workers know they are valued and that "we're in this for the long haul."

That message is carried throughout Harvey's manufacturing and distribution operations. "We're all one company, all working together," Bigony says, speaking of the two sides of Harvey. That may require an extra effort now, and company officials admit the current expansion efforts may not pay off immediately, given the current economic environment, but they express confidence in the long term. "It may take awhile, but the market will come back," Jarrnyd states. "Harvey's been through downturns before," adds Bigony, "and we've come out stronger in the end."

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