

2009 BIG 50 list

ID's Annual List of THE LARGEST INDUSTRIAL DISTRIBUTORS

For anyone with an eye on the industry, there was no doubt that 2009 would be full of surprises considering the multitude of effects the recent recession—and its slow ebb—has had on industrial distributors and their customers.

By Anna Wells

Despite the roller coaster ride that was 2009, the majority of the folks we spoke with in regards to the Big 50 list are optimistic. The one thing that is well understood is that—like it or not—customers are creating more pressure for industrial distributors to come up with the best price, selection, and service offering. It may very well depend on how well your business has been able to service MRO management needs that dictates whether you're capitalizing on this trend or not.

"The recession has caused a notable shift in customer purchasing patterns in the industrial supplies industry. Spending has been more disciplined and MRO is receiving much more attention as businesses and institutions look to get more productive. This is a very healthy trend for distributors," says James Ryan, President & CEO, Grainger. "By relying more on suppliers to help them improve what has historically been a very unproductive process of managing MRO, more customers are realizing the value distributors can provide. This helps them be more competitive in an increasingly global marketplace."

THE BIG 50

Despite the needling fears of a double dip, many companies have been able to retain their market positions with relative consistency, in addition to some companies, in rare instances, exhibiting growth.

Economic Uncertainty

Besides these trends, it's a simple numbers game for a lot of folks. As manufacturers continue to dictate the flow of goods, tight purse strings will likely prevail over solid economic impacts in the near term.

Norbert J. Ore, CPSM, C.P.M. and Chair of the ISM Manufacturing Business Survey Committee, explains the lingering "bullwhip effect" that comes in dealing with a manufacturing customer base.

"If you're at the very tip of the bullwhip, you get the roughest ride. Certainly that's the case with the industrial distributors; they've had a rough ride because manufacturers are running their business with one foot on the gas and one foot on the brake," says Ore. "They're trying to manage their inventories and they're afraid that demand will disappear on them, so they're running very cautiously and they're not investing. So it makes things very difficult for suppliers of manufacturing to project their business. But it's the nature of the lack of stability in the economy. There are a lot of issues that are keeping manufacturers concerned about what is going to happen—not only in the next month or two, but—in the next three, six months or a year. Two terms that I think are almost interchangeable, and those that I hear more than any other, are 'lack of confidence' and 'uncertainty.'"

Despite the needling fears of a double dip, many companies have been able to retain their market positions with relative consistency, in addition to some companies, in rare instances, exhibiting growth. In fact, the majority of those on this year's Big 50 submitted FY 2009 sales figures that were below those of 2008. However, in our follow up research and interviews, 2010 seems to be off to a somewhat steady start. Potentially it will be the 2010 list that shows whether or not the market is really stabilizing for those with a heavy footprint in MRO. For those in the residential and commercial construction markets, these stabilizing factors may be further out yet.

Manufacturing's recovery, according to Ore, has been advancing at three times the rate of other industries. Despite this encouraging news, a recent study commissioned by the American Small Manufacturers Coalition and member MEP (Manufacturing Extension Partnership) centers identified "a serious gap between the strategies U.S. manufacturers believe are critical to their future success, and their actual progress in implementing those strategies."

This perhaps reinforces Grainger CEO Jim Ryan's comments about the increasing reliance manufacturers will have on the value-added services of their suppliers—including the improving emphasis on programs targeting energy savings, safety, and inventory management. No matter the company size, this may serve as the competitive edge most necessary for industrial distributors to gain a much-needed foothold in a tenuous 2010 economy.

Commentary

This year's list may look a little different than in years past, so allow us to explain.

As the shape of the marketplace changes—with shifts towards consolidation, larger product lines, and broader service offerings—we believe the *Industrial Distribution* Big 50 list should adapt. Therefore, we've included some new suppliers who were typically listed under industry vertical "break out" lists in the past.

While they may be newcomers to this list, industry giants such as WESCO, Anixter, Graybar, and this year's number one, Rexel, aren't unfamiliar names to anybody in the industry.

Sonepar—with its industrial arm Hagemeyer—is absent from the list due to our inability to obtain a hard sales num-

ber for 2009. In addition, we were unable to reach McMaster Carr Supply for the compilation, and estimate this privately held company would have also made the cut.

Methodology

All Big 50 companies are ranked according to total worldwide sales, and all figures are reported in USD. There are a few sales figures on this list which are annotated with a *. This indicates a sales figure that has not been confirmed by the company, or public financial statements, however is based upon our best estimates.

Information on publicly traded companies is obtained from annual reports, earnings statements, and company verifications. For the privately held companies, we rely on self-reported data and follow-up interviews. Recently published press releases were also used to supplement data for the report.

The Big 50 interviews were conducted by *Industrial Distribution* editors Anna Wells and Mike Schmidt.

In closing, we'd like to thank our readers—as well as those esteemed companies gracing our pages this year—for all of the support in facilitating this issue. If you have feedback regarding this year's list—relative to our approach, the style, or the content—please feel free to contact us via email: anna.wells@advantagemedia.com.

2009 BIG 50 list

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1. REXEL

www.rexelusa.com

Sales: \$16.2 billion
Chairman & CEO: Jean-Charles Pauze
Headquarters: Paris, France
Locations: 2,500
Employees: 28,688

- Rexel, a global leader in the distribution of electrical supplies, serves three main end markets: industrial, commercial, and residential. The Group operates in 34 countries, with a network of some 2,200 branches and employs 28,000 people. Rexel recently reported Q2 sales up 2.3 percent (on a constant and same day basis) after six straight quarters of decline. This growth was aided by a strong quarter in both Australian and Chinese markets, and slight growth in Europe. Rexel's American arm, Rexel USA, is headquartered in Dallas.
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2. WOLSELEY

www.wolseley.com

Sales: \$14.4 billion
CEO: Ian Meakins
Headquarters: Reading, England
Locations: 4,400
Employees: 47,000

- Big news for Wolseley came in July of 2009 when it was announced CEO Chip Hornsby would be stepping down after just three years on the job. Largely due to the crunch in the housing market, the company suffered an astounding 20,000 jobs cuts during Hornsby's time in the position. Ian Meakins, chief executive of Travelex Holdings, the foreign exchange and payments business, replaced Hornsby. Early 2010 saw a "boardroom purge," according to *The Daily Mail*, where several executives associated with the Hornsby stint were shown the door. Spring 2010 news out of Wolseley suggests the UK-based company may sell 19 businesses with sales totaling 2.7 billion pounds (\$4.3 billion) in the coming years.
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3. WÜRTH

www.wurth.com

Sales: \$9.5 billion
CEO: Bettina Wurth
Headquarters: Kunzelsau, Germany
Locations: 400
Employees: 57,822

- Würth Group, of Kunzelsau Germany, is a global supplier of screws, screw accessories, dowels, chemical products, furniture and construction fittings, tools, machines, installation material, automotive hardware, as well as storage and retrieval systems. In a significant economic step for the company in July, Standard & Poor's again confirmed the A rating of Würth Group in the field of assembly and fastening material, and verified the company's above-average liquidity. The outlook was revised from "negative" back to "stable." Würth's US division, Würth USA Inc., is located in Ramsey, NJ and primarily services the automotive parts manufacturing sector.

4. HD SUPPLY

www.hdsupply.com

Sales: \$7.4 billion
CEO: Joe DeAngelo
Headquarters: Atlanta, GA
Locations: 900
Employees: 17,500

- In the company's recently released first quarter results, HD Supply reported net sales for the first quarter of fiscal 2010 of \$1.8 billion, a decline of 5.7 percent compared to the first quarter of fiscal 2009. In March 2010, HD Supply entered into amendments to its \$1.3 billion Cash Flow Credit Agreement and its \$2.1 billion ABL Credit Agreement, which extended approximately \$874 million of the term loan principal and \$1.75 billion under the ABL Credit Agreement to 2014. Says CEO Joe DeAngelo: "Although our industry remains challenged, we are beginning to see signs of recovery. Our growing liquidity and the extension of the majority of our debt maturities to 2014 enables continued investment in our business to accelerate future profitable growth."

5. WW GRAINGER

www.grainger.com

Sales: \$6.2 billion
Chairman, President & CEO: James Ryan
Headquarters: Lake Forest, IL
Locations: 617
Employees: 18,000

- Recently released July numbers show Grainger up 21 percent (daily sales), versus July 2009. Notably, Grainger has been able to leverage its strength in the services arena in order to improve competitiveness. "We invested in service throughout the downturn to help ensure we have the product and services available," says Grainger CEO Jim Ryan. "It is difficult to predict the future for the broader economy, but we feel very good about our market position. We will continue our unwavering commitment to service." Other recent investments have included the early 2010 acquisition of Ranson Industrial and Safety Supplies Inc. (by Canadian subsidiary Acklands-Grainger) and June's joint venture between Grainger and an affiliate of Torhefe S.A., THF International SAS, now known as Grainger Columbia. "The establishment of Grainger Colombia," says the company, "further builds on Grainger's international expansion and recent investments in Latin America."

6. ANIXTER

www.anixter.com

Sales: \$5.1 billion
CEO: Robert J. Eck
Headquarters: Glenview, IL
Locations: 265
Employees: 7,811

- Anixter International is a global supplier of communications and security products, electrical and electronic wire and cable, fasteners and other components serving the manufacturing, construction, utility, and telecommunications industries, among others. Results for 2010 Q2, released in late July, showed the company's sales up 12 percent. According to the report, CEO Robert Eck is pleased with the company's strong organic sales increase. "Equally as positive," says Eck, "is the fact that this was the first quarter since the third quarter of 2008 that we have delivered a year-on-year sales increase in all three geographic segments, as well as all three of our end markets. We are encouraged by the rate and breadth of the company's sales rebound despite the uncertain macroeconomic conditions that continue to exist."

7. WESCO INTERNATIONAL

www.wesco.com

Sales: \$4.6 billion
CEO: John J. Engel
Headquarters: Pittsburgh, PA
Locations: 380
Employees: 6,200

- In addition to being an industrial distributor, Wesco International services the non-residential construction and utility end markets. After posting solid sales for much of 2008, Wesco saw a dramatic downturn occur in late fall of that year. "We saw a knife-edge switch get turned in mid-November (of 2008)," says Daniel Brailer, Vice President, Treasurer, and Investor Relations for Wesco International. "And not unlike everybody else, we reacted quickly." The company had to take the unfortunate step of eliminating roughly 12,000 employees between the fourth quarter of 2008 and June of 2009. Furthermore, the company closed or consolidated about 20 branches. The company started to see signs of progress when its sales per workday stabilized in the third quarter, and the company saw its first uptick in the fourth quarter of 2009. According to Brailer, the OEM portion of its business drove that uptick. "Our recovery, as we look at it, has been largely driven by our industrial end market."

8. WILSON INDUSTRIES

www.iwilson.com

Sales: \$4.6 billion
CEO: John Kennedy
Headquarters: Houston, TX
Locations: 250
Employees: N/A

- Wilson Industries has opened five new services branches in 2010, including three Texas locations, and one each in Oklahoma City and Salt Lake City. August of 2010 saw the completion of the merger between Wilson Industries parent company, Smith International, and Schlumberger Limited, supplier of technology, integrated project management and information solutions to the oil and gas industry. Schlumberger Limited has principal offices in Paris, Houston and The Hague and reported revenues of \$22.7 billion in 2009. According to former CEO of Smith, John Yearwood, "The quality of the integration planning process has been outstanding and everyone is looking forward to exceeding expectations."

9. GRAYBAR

www.graybar.com

Sales: \$4.4 billion
CEO: Robert A. Reynolds
Headquarters: St. Louis, MO
Locations: 240
Employees: 8,000

- Graybar posted sales of \$4.38 billion in 2009, and the company did its best to overcome the economic slowdown that plagued the industrial distribution marketplace. "The overall economy is still full of uncertainty, however Graybar is cautiously optimistic about the industrial market," says Graybar representative Tim Sommer. Some of the company's keys to success in these tough economic times centered on creating a sales organization that focuses heavily on the industrial market. According to Sommer, the company is committed to understanding customers' businesses and providing solutions to meet their needs.

10. AIRGAS

www.airgas.com

Sales: \$3.9 billion
Chairman & CEO: Peter McCausland
Headquarters: Radnor, PA
Locations: 1,100
Employees: 14,000

- Perhaps the most publicized company on this list in recent months, Airgas has been battling unsolicited offers from rival Air Products since early 2010. The most recent offer, an increase of 2 dollars per share, continues to "grossly undervalue Airgas," according to a statement from Chairman & CEO Peter McCausland. McCausland went on to express the belief that this slight increase in Air Products' offer price does not adequately compensate Airgas stockholders for the company's inherent value, excellent prospects, and impressive economic performance since Air Products first announced its offer. For a company who is typically on the other side of the M&A process (Airgas has made 27 acquisitions in the past three years alone), 2010 has been an interesting battle thusfar.

11. MCJUNKIN-RED MAN

www.mcjunkin.com

Sales: \$3.7 billion
CEO: Andrew Lane
Headquarters: Houston, TX
Locations: 250
Employees: 3,500

- After posting sales of \$5.2 billion in 2008, McJunkin-Red Man's sales dropped to \$3.7 billion in 2009. However, the pipe, valves, and fittings distributor was in the news in early June when it announced the acquisition of the North Texas Supply, Inc. The company made another acquisition in late August, agreeing to buy Dresser Oil Tools & Supply. Both deals were part of MRC's concerted effort to increase its presence and commitment in the active shale plays across North America. Details of the transactions were not disclosed.

12. MOTION INDUSTRIES

www.motionindustries.com

Sales: \$2.9 billion
CEO: Bill Stevens
Headquarters: Birmingham, AL
Locations: N/A
Employees: N/A

- Last year's #32 on our list, BC Bearings, was acquired in early 2010 by Motion Industries, the Industrial Parts Group of automotive industry giant Genuine Parts Company. "The acquisition of BC Bearing allows Motion Industries to continue its expansion in Canada and the northwestern U.S., where we see significant growth opportunities," said CEO Bill Stevens in March of this year. Markets primarily affected include forestry, pulp and paper, mining, agriculture, oil and gas, petrochemical, food processing, transportation, electronics, and wind energy.

13. FASTENAL

www.fastenal.com

Sales: \$1.93 billion
President & CEO: Willard Oberton
Headquarters: Winona, MA
Locations: 2,311
Employees: 12,000

- Fastenal's August 2010 sales information showed growth for the company, including the openings of 11 new stores in the month, and 63 total opened in 2010 to date (compared to 43 new stores in all of 2009). Other news of growth includes the late 2009 acquisition of Holo-Krome, a leader in the production of domestic socket head screw products. Based in West Hartford, CT, Holo-Krome is said to be the world's leading manufacturer of grade 12.9 socket screw products.

14. APPLIED INDUSTRIAL TECHNOLOGIES

www.applied.com

Sales: \$1.9 billion
Chairman & CEO: David Pugh
Headquarters: Cleveland, OH
Locations: 464
Employees: 4,729

- Applied Industrial Technologies has been active lately, boasting the August acquisition of UZ Engineered Products of Cleveland, OH. The company's Canadian subsidiary (Applied Industrial Technologies Ltd) at the same time announced it had acquired the business of SCS Supply Group Inc., formerly known as Toronto Bearing & Belting and CBS Equipment. Relative to its expanding reach, company president Ben Mondics cites the company's employee focus as one of its primary drivers: "We look for a good strategic fit as well as a cultural fit," he says. "One of the most important benefits we get with an acquisition is the associates."

15. WINWHOLESALE

www.winwholesale.com

Sales: \$1.6 billion
CEO: Richard Schwartz
Headquarters: Dayton, OH
Locations: 458
Employees: 3,915

- A focus on asset management helped WinWholesale overcome the recent dramatic downturn in the economy.
- “WinWholesale has always emphasized expense control,” says Rick Schwartz, President and CEO of WinWholesale.
- “However, during the economic downturn, we recognized that we needed to do even more in this area, which we did.” While sales decreased from \$2.1 billion in 2008 to \$1.6 billion in 2009, the Dayton, OH-based company has set forth a number of goals to help increase sales and revenue in 2010 and beyond. “WinWholesale is focusing on increasing sales and revenue, efficient operations, asset management, and has returned to the operating expense levels similar to those we attained in 2006 and 2007,” he says. The company opened seven new locations in 2009 and four more in 2010. A fifth is slated to open soon.

16. MSC INDUSTRIAL DIRECT

www.mscdirect.com

Sales: \$1.5 billion
CEO: David Sandler
Headquarters: Melville, NY
Locations: 95
Employees: 4,000

- “Throughout the slowdown,” the company says in a submitted statement, “MSC remained committed to providing customers with the high level of service and solutions they have come to expect from the company, leveraging its financial strength to supply them with what they needed, when they needed it, at a compelling price, and did so while retaining all its associates. As a result, the company gained market share and emerged in an excellent position to take advantage of the upturn in the market. 2010 has seen a strong rebound in the company’s business, and going forward the key to MSC’s success will be to continue executing at the highest possible levels, investing in those growth initiatives that differentiate its business, and finding strategic acquisition opportunities that truly complement its value proposition.”

17. INTERLINE BRANDS

www.interlinebrands.com

Sales: \$1.1 billion
CEO: Michael Grebe
Headquarters: Jacksonville, FL
Locations: 100
Employees: 3,000

- Interline Brand’s 2009 sales of \$1.06 billion were an 11.4-percent decrease compared to sales of \$1.20 billion 2008. The general-line MRO distributor posted sales of \$515.4 million for the first half of the 2010 fiscal year, which marked a 2.2-percent decrease over last year. “Our decline last year was primarily due to general economic conditions, especially in the real estate industry,” says Lev Cela, treasurer for Interline Brands. “We have seen a return to stability in the market, so we’re cautiously optimistic that will continue.” Keys to success in the future include fostering growth in its top-line sales, targeting national accounts, and improving distribution networks.

18. EDGEN MURRAY

www.edgenmurray.com

Sales: \$773 million
President: Daniel J. O’Leary
Headquarters: Baton Rouge, LA
Locations: 30
Employees: 463

- With efforts underway to expand into the nuclear supply market, this global distributor of specialty steel products was recently awarded a Quality System Certificate (QSC-614) as a Material Organization by the American Society of Mechanical Engineers (ASME). This accreditation allows Edgen Murray to supply materials to the nuclear industry in accordance with the strict provisions of the ASME Boiler and Pressure Vessel Code. To support this market expansion, Edgen Murray selected Charlotte, NC as the U.S. location for nuclear sales and operations, with expectations for growth.

19. KAMAN INDUSTRIAL TECHNOLOGIES

www.kaman.com

Sales: \$646 million
CEO: Neil Keating
Headquarters: Windsor, CT
Locations: 200
Employees: 1,968

- Kaman Industrial Technologies certainly wasn’t immune to the economic slowdown, as the company saw its overall sales drop 17 percent. “(It) was due to a significant decrease in sales to OEMs and reduced capital spending by MRO customers,” says Dave Mayer, Vice President of Marketing for Kaman. Mayer cited the global recession, weak overall economic conditions, and changes to foreign exchange rates as three factors that led to the decrease in sales. Sales to the food and beverage industry helped the company offset some of the decline in other, less stable markets. Sales gains from 2008 acquisitions and measures to control operating expenses also helped Kaman overcome the slowdown. Furthermore, 2010 is shaping up to be a strong year for Kaman. “We anticipate sales growth to be 10 to 13 percent in 2010,” says Mayer.

20. F.W. WEBB

www.fwwebb.com

Sales: \$600 million*
CEO: Jack Hester
Headquarters: Bedford, MA
Locations: 76
Employees: 1,250

- F.W. Webb Company is New England’s largest plumbing & heating distributor with over 70 locations in New England and New York. 2010 saw F.W. Webb’s acquisition of O’Connor & Senecal Inc. of Sutton, MA. OSI is a Manufacturer’s Representative of major instrumentation product lines, the principal one being Endress & Hauser. F.W. Webb has also recently partnered with Quality Controls, Inc., a world-wide manufacturer of rotary valves, to diversify their product offerings in the fire protection, biopharmaceutical, utilities supply, and water system industries. The Bedford, MA-based company also announced the completion of a new 65,000 square foot state-of-the-art Hyannis, MA facility.

21. DXP

www.dxpe.com

Sales: \$583 million
President & CEO: David Little
Headquarters: Houston, TX
Locations: 118
Employees: 1,697

- DXP Enterprises is a publicly traded professional distribution management company that provides products and services to a variety of industries through its Innovative Pumping Solutions (IPS), Supply Chain Services, and MROP Products and Services. In July, DXP announced net income of \$4,584,000 for the second quarter ended June 30, 2010. Sales increased 15.9 percent, to approximately \$167.3 million from \$144.4 million for the same period in 2009. After excluding the \$13.4 million of sales of Quadna, acquired on April 1, sales for the second quarter of 2010 increased 6.6 percent over the same period in 2009. In addition, net income for the second quarter of 2010 increased 27.6 percent for the first quarter of 2010.

22. WES

www.wholesaleelectric.com

Sales: \$441 million
Chairman & VP: Pam McKellop
Headquarters: Houston, TX
Locations: 9
Employees: 302

- Wholesale Electric Supply Co. (WES) of Houston, Inc., along with its 10 branch locations, prides itself on its comprehensive product line, with inventory tailored to meet the needs of both commercial and industrial contractors as well as utilities, MRO, and OEM contracts. Recent acquisitions include GEECO Sales Company. Wholesale Electric's Geeco Sales Division is the leading distributor of magnetic circuit breakers in the U.S., with the largest inventory of magnetic-hydraulic circuit breakers in the country. WES celebrated 60 years in business in 2009.

23. INDUSTRIAL DISTRIBUTION CORP.

www.idg-corp.com

Sales: \$425 million
CEO: Charles Lingenfelter
Headquarters: Belmont, NC
Locations: 33
Employees: 1,112

- According to CEO Charles Lingenfelter, IDG's recent transition from a public company to private ownership (under private equity firm Luther King Capital Management) has gone very well for company stakeholders. In addition, says Lingenfelter, "Investments have been made to improve our sales and marketing efforts. The last twelve months have provided much-improved results. We are now looking to significantly increase our sales organically as well as externally." Recent acquisitions for IDG have included the June 2010 purchase of Alamo Iron Works of San Antonio, TX. The bid came after Alamo Works filed for Chapter 11 bankruptcy protection in April of this year.

24. BARNES DISTRIBUTION

www.barnesgroupinc.com

Sales: \$417 million
President: Patrick Dempsey
Headquarters: Cleveland, OH
Locations: 20
Employees: 2,300

- "We have worked diligently throughout the past 18 months to create unique business solutions and launch new products that add value for our customers," says Barnes president Patrick Dempsey. "We continue to expand and provide additional sales and service professionals throughout North America." The most notable of these unique solutions have included an expansion of its eco-friendly catalog for MRO supplies (initially launched in 2009). Dempsey also cites the company's vendor managed inventory program as a consistent offering for its customers, which "offers a diverse range of service options and innovative solutions to meet their individual business needs and reduce total cost of ownership."

25. CE FRANKLIN

www.cefranklin.com

Sales: \$416 million
Chairman: Robert McClinton
Headquarters: Calgary, Alberta
Locations: N/A
Employees: N/A

- With an emphasis in the processing segment, the majority of CE Franklin's business is conducted in Canada. The company's recently released Q2 2010 results reported a net loss of \$0.1 million, or 1 cent/share, compared to a net income of \$ 0.6 million (4 cents/share) reported at the end of Q2 2009. Still, the business outlook expects the oil and gas industry activity in 2010 to increase modestly after the decade-low levels experienced in 2009. Other major changes include the company's 2009 decision to switch the listing of its common stock from Alternext to NASDAQ.

26. BDI

www.bdi-usa.com

Sales: \$396 million
President: Carl James
Headquarters: Cleveland, OH
Locations: 130
Employees: 1,185

- BDI represents and provides local inventories on hundreds of thousands of products to multiple industries. Categories include bearings, linear motion control, mechanical power transmission, fluid power, electrical power transmission, filtration, industrial hoses & fittings, material handling, adhesives, sealants, lubricants, retaining/locking products, sealing devices, industrial tools & supplies, and safety. 2009 sales figures show a decline of 24 percent over 2008 numbers.

27. BOSSARD

www.bossard.com

Sales: \$395 million
CEO: David Dean
Headquarters: Zug, Switzerland
Locations: 50+
Employees: 1,400

- The worldwide decline in industrial production negatively affected Bossard, with 2009 sales falling 30.2 percent.
- Sales were down in all markets except in India, where the subsidiary saw a 22 percent increase. The collapse of demand, the cutting back of inventories, and the falling prices of raw materials are cited as the main contributing factors for the decline. However, despite the economic crisis, CEO David Dean says “we again acquired numerous new customers” and “enhanced our market share further, and our consolidated net income was substantially higher than anticipated.” 2010 brings cautious optimism, and Bossard plans to keep productivity high and make rapid and effective use of market opportunities wherever they occur.

28. LAWSON PRODUCTS

www.lawsonproducts.com

Sales: \$379 million
CEO: Thomas J. Neri
Headquarters: Des Plaines, IL
Locations: 39
Employees: 1,109

- Lawson Products saw its sales decrease by 22 percent, from \$485.2 million in 2008 to \$378.9 million in 2009. “What was most shocking was, it happened so rapidly,” says Harry Dochelli, COO for Lawson Products. “We started to see it right at the tail end of 2008. Then I remember in December of 2008, it just dropped right off the face of the earth.” The company introduced and took advantage of using some lean techniques in some of their processes and procedures. “I think we took a pragmatic approach about using the proper tools and just getting more efficient in 2009,” says Dochelli. Some of the efforts the company undertook included the implementation of an ERP system, investments into its pricing strategy, alterations to its sales organizations, and enhancements of its go-to-market strategy.

29. TURTLE & HUGHES

www.turtle.com

Sales: \$360 million
President & CEO: Jayne Millard Clark
Headquarters: Linden, NJ
Locations: 11
Employees: 520

- Turtle & Hughes has divisions ranging between industrial control & automation, switchgear, commercial and industrial lighting, data communications, wire & cable, sustainable energy development, and integrated supply. 2009 saw the appointment of Jayne Millard as president and CEO, succeeding her mother Suzanne Turtle Millard, who assumed the position of chairman of the board. Her father, Frank Millard, continues as chief operating officer of the company. Additional company changes include that of a new Long Island City location, designed to serve as a hub for NYC projects, including one at Ground Zero.

30. KINECOR

www.kinecor.com

Sales: \$290 million
President: Adrian Trotman
Headquarters: Lachine, Quebec
Locations: 65
Employees: 730

- Kinecor saw some executive changes this spring with the early retirement of president Gordon Duncan. Adrian Trotman was appointed senior vice-president, industrial components, Wajax Income Fund, and president of Kinecor LP (division of Wajax Income Fund), effective May 24, 2010. Trotman is a professional engineer and has an MBA degree. He has 20 years of experience in industrial distribution in Canada with a major US multinational firm. In other company news, AW-Lake Company signed a distribution agreement with Peacock, a division of Kinecor, to stock, distribute and support flow measurement systems from the AW-Lake brands AW gear meters and SABRE flow turbines. The two companies plan to target oil and gas and other markets.

31. HOUSTON WIRE & CABLE

www.houwire.com

Sales: \$251 million
President & CEO: Chuck Sorrentino
Headquarters: Houston, TX
Locations: N/A
Employees: 268

- The distributor of specialty wire and cable products posted sales of \$251 million in 2009. As 2010 rolled around, the company made major acquisitions when it purchased Southwest Wire Rope LLP and Southern Wire LLC. According to the company, those deals broadened HWC’s product offering to include mechanical wire and cable and related hardware. With strategically located sales and distribution centers throughout the United States, Houston Wire and Cable focuses on providing a single-source solution. HWC has nearly \$100 million of inventory encompassing approximately 30,000 products from the industry leading manufacturers of electrical and mechanical wire and cable.

32. LEWIS-GOETZ

www.lewis-goetz.com

Sales: \$250 million
CEO: Jeffrey T. Crane
Headquarters: Pittsburgh, PA
Locations: 70
Employees: 850

- The execution of several strategic initiatives before the economic downturn helped Lewis-Goetz weather through the tough times. Though sales declined from \$300 million in 2009 to \$250 million in 2008, Lewis-Goetz relied on a few key initiatives to bounce back nicely. “Strategic acquisitions, yielding diverse end markets, as well as superior asset management provided for hedges against the downturn and helped us generate more than enough cash to survive the Great Recession,” says Jeffrey T. Crane, President and CEO of Lewis-Goetz. The company acquired Transport Parts, a Minneapolis-based distributor of hose and accessories, and three locations of International Gasket and Supply from Leader Global Technologies. “We have performed very well in 2010, with revenues increasing solidly over last year,” says Crane. “But we remain cautious about the next six months, and are hiring and investing very deliberately as a result.”

33. DUNCAN INDUSTRIAL SOLUTIONS

www.duncanindustrial.com

Sales: \$193 million
CEO: David Ragland
Headquarters: Oklahoma City, OK
Locations: 5
Employees: 160

- The privately-owned industrial distributor of MRO supplies, based in Oklahoma City, had a fairly newsworthy
- year in 2009. In addition to posting sales of \$193 million, the company was named to DiversityBusiness.com's Top
- 100 Large Businesses in the United States. The company also completed an acquisition of Atlantic Tool Systems
- of Hawthorne, NJ. in December, and was awarded its second American Eagle Value-Added Distributor Award in
- June.

34. R.S. HUGHES CO. INC.

www.rshughes.com

Sales: \$191 million
CEO: Bob McCollum
Headquarters: Sunnyvale, CA
Locations: 49
Employees: 385

- Sales were down about 14 or 15 percent for R.S. Hughes in 2009, but the industrial distributor was able to hold
- employment through the recession. The company also added eight sales territories and three branch locations in
- 2009. "As we go into new geographies, we're just trying to take the market share the old fashioned way, by making
- calls, and providing value," says Pete Biocini of R.S. Hughes. Initiatives geared toward safety, e-commerce, and
- national accounts have helped the company come out of the recession with steady growth. According to Biocini,
- e-commerce is one area where the company plans to see continued growth and development.

35. DGI SUPPLY

www.dgisupply.com

Sales: \$190 million*
Chairman & President: Michael Wilkie
Headquarters: Wheeling, IL
Locations: 41
Employees: N/A

- DGI Supply is a DoALL Company, an organization which began as a sawing manufacturer in 1927. In 2004,
- DoALL began its industrial distribution arm with DGI Supply. DGI offers a regional distribution model which
- provides 1-2 day ground service anywhere in North America, and boasts the largest installed base of vending
- machines for commodity management in the world, according to its website. Other companies under the DoALL
- umbrella include Greenlee Diamond tool, manufacturer of diamond and super abrasive solutions, and Continental
- Hydraulics, manufacturer of hydraulic pumps, valves and power units, as well as special-order hydraulic products.

36. GAS & SUPPLY

www.gasandsupply.com

Sales: \$180 million*
CEO: Lori Kneepfel
Headquarters: Baton Rouge, LA
Locations: 41
Employees: 308

- Since its establishment in 1981, Gas & Supply has worked to reduce overall purchasing costs of products and sup-
- plies. It is a one-stop shop for welding supplies, compressed gases, bulk gases, medical gases, safety supplies, and
- related services in the Deep South and South Central regions. 2009 shows a 21 percent decrease in sales from
- 2008, with the economy as a major contributing factor.

37. PERRY SUPPLY

www.perrysupply.com

Sales: \$169.4 million
CEO: John Coffey
Headquarters: Birmingham, AL
Locations: 2
Employees: 81

- Strong sales in the international mining market helped Perry Supply to increase its sales from \$138.7 million
- in 2008 to \$169.4 million in 2009. "(Other) contributing factors would be growth and expansion in mining, as
- well as tightened supply with respect to some of the largest commodities, requiring a more strategic sourcing and
- procurement strategy," says Perry Supply vice-president Charles Beasley. After a solid 2009, Perry Supply expects
- to see slight improvements in domestic sales of foundry, industrial, and mining supplies. Furthermore, Beasley says
- there are a number of ways Perry Supply will try to ensure a strong performance moving forward: "It is ultimately
- important in these lean times to maintain a solid technical infrastructure and a talented workforce."

38. PRODUCTION TOOL SUPPLY

www.pts-tools.com

Sales: \$169 million
CEO: Lawrence Wolfe
Headquarters: Warren, MI
Locations: 189
Employees: 378

- With headquarters in Warren, MI, Production Tool Supply is among the leading suppliers of industrial tools in the
- Midwest and one of the Top 100 distributors in the United States. With more than 400 employees and 400,000
- square feet of warehouse space, PTS is continuously expanding its product offerings, while focusing on responsive
- personal service and same-day shipping. PTS's inventory of roughly 235,000 products includes precision measur-
- ing instruments, carbide inserts, hand tools, power tools, workholding devices, safety supplies, fasteners, tool room
- machinery and a complete selection of machine accessories.

39. HISCO

www.hiscoinc.com

Sales: \$160 million
President: Bob Dill
Headquarters: Houston, TX
Locations: 34
Employees: 300

Hisco is a specialty distribution company serving the electronic assembly and other industrial markets. The international Hisco branch network includes 30 stocking locations - 22 in the United States (including Puerto Rico and the Dominican Republic) and 8 operated by its HiscoMex subsidiary in Mexico - plus 4 Precision Converting facilities that provide value-added fabrication and custom repackaging. This past July, the 100 percent employee-owned company signed a distribution agreement with Japanese electronic component manufacturer Hosiden to support the North American solar market.

40. C&H DISTRIBUTORS

www.chdist.com

Sales: \$158 million
President & CEO: Dave McKeon
Headquarters: Milwaukee, WI
Locations: N/A
Employees: 250

C&H Distributors carries over 40,000 products for all types of commercial, industrial, and institutional businesses, across categories including storage products, material handling equipment, maintenance and janitorial supplies, warehouse and dock equipment, packaging and shipping supplies, industrial safety supplies, shop equipment, and more. C&H Distributors, LLC operates as a subsidiary of K+K America Corporation, a holding company which, through its subsidiaries, engages in the mail-order business for office, warehouse, and food service equipment.

41. CANADIAN BEARINGS

www.canadianbearings.com

Sales: \$150 million*
President & CEO: Farrokh Khalili
Headquarters: Mississauga, Ontario
Locations: N/A
Employees: 300

With headquarters in Ontario, Canadian Bearings is one of Canada's leading distributors of bearings and power transmissions. With 2009 sales of \$155 million, the company continues to focus on its commitment of deploying the latest technology to meet the changing requirements of its customers. One of the company's biggest achievements of 2009 was its ability to be successfully ISO 9001:2008 registered.

42. TENCARVA MACHINERY

www.tencarva.com

Sales: \$130 million
CEO: Rod Lee
Headquarters: Greensboro, NC
Locations: 22
Employees: 294

It was reported that Tencarva totaled sales of \$129.6 million in 2009, but that does not include sales in which the company acted as an agent, did not record the sale in its books, and received a commission from the manufacturer for making the sale. If one were to factor in these "sales," Tencarva's totals would amount to \$142 million. "We were down about 10 percent, which we attribute to the recessionary conditions in the manufacturing segment of the U.S. economy," says Ed Pearce, secretary/treasurer for Tencarva Machinery. According to Pearce, the slowdown allowed the company more time to meet face-to-face with their customers and increase its sales efforts. "Our order intake is starting to approach 2007 (and) 2008 levels, and we expect to exceed our 2008 revenues, a record year for the company, in 2011."

43. WOMACK MACHINE SUPPLY

www.womack-machine.com

Sales: \$124 million
CEO: Mike Rowlett
Headquarters: Branch, TX
Locations: N/A
Employees: 375

The industrial distributor of hydraulic, pneumatic, and factory automation equipment posted sales of \$124.2 million, down from \$164.6 million in 2008. After closing on four acquisitions in 14 months during 2007 and 2008, the company did not announce any acquisitions in 2009. However, the company did announce the hiring of a new CFO, Kenny Talley, in September. Womack also successfully passed its final audit to become certified to the ISO9001:2000 Quality Management System Standard in October of that year.

44. FCX PERFORMANCE

www.fcxperformance.com

Sales: \$124 million
CEO: Charles Simon
Headquarters: Columbus, OH
Locations: 13
Employees: 185

FCX provides process flow control solutions and products to a variety of process industries, with valves and instrumentation comprising a majority of their inventory. Locations and service covering 26 states offer substantial breadth for assistance and distribution. 2009 showed a 14 percent decline in sales. The process industries FCX Performance serves include alternative energy, pulp and paper, power, food and beverage, pharmaceutical and biopharmaceutical, chemical and petrochemical, and steel.

45. KIMBALL MIDWEST

www.kimballmidwest.com

Sales: \$117 million
CEO: Pat McCurdy
Headquarters: Columbus, OH
Locations: 3
Employees: 925

Kimball Midwest certainly was able to pull through the recession by encouraging its sales force to go out and focus on opening new accounts. As a result, the Columbus, OH-based distributor posted sales of \$117 million in 2009. "The company performed above what we probably expected," says Dave Myers, Promotions and Communications Supervisor for Kimball Midwest. "The approach that they take with their customers in providing that service continues to pay off for them." A concerted effort by the company to provide quality products and services to their customers has Kimball Midwest optimistic about the future. "Things are improving slowly, but they're surely getting better," says Myers.

46. IBT INC.

www.ibtinc.com

Sales: \$116 million
Chairman & CEO: Stephen Cloud
Headquarters: Merriam, KS
Locations: 41
Employees: 360

According to CEO Stephen Cloud, 2009 was "a year of contrasts. (At the outset), it just seemed like there was no bottom. And then, when June hit, there was a definite uptick where the volume stopped falling and started coming back. We saw some steady improvements, albeit slow, but definite improvement during the rest of that calendar year." With steady growth in mind, the company avoided any 2009 acquisitions, but may have some announcements coming up yet in 2010. "Things are definitely getting better," says Cloud. "In terms of our own growth, we are estimating 2010 to be 5 percent better than 09."

47. SUPPLYCORE

www.supplycore.com

Sales: \$97 million
CEO: Peter Provenzano
Headquarters: Rockford, IL
Locations: 9
Employees: 110

The Illinois-based company, which sells MRO supplies, logistic services, and integrated supply programs to the Department of Defense and contractors servicing the defense market, saw its sales decrease from \$150 million in 2008 to \$96.9 million in 2009. However, SupplyCore was recently awarded the Outstanding Readiness Support Award from the Defense Logistics Agency (DLA) and three Best Value Medals from the Defense Supply Center Richmond (DSCR). Furthermore, the company is ISO 9001:2008 certified.

48. RICHARDS ELECTRIC SUPPLY

www.richardselectric.com

Sales: \$92 million
President: Ivan Misrach
Headquarters: Cincinnati, OH
Locations: 6
Employees: 150

Richards Electric Supply was formed in 1926 and serves multiple market segments, including MRO, OEM, electrical and specialty contractors, and industrial automation. Major suppliers include GE, Siemens, Thomas and Betts, OSRAM SYLVANIA, and Leviton. Richards Electric Supply sells to customers through six branches in Indiana, Kentucky, and Ohio.

49. OTP INDUSTRIAL SOLUTIONS

www.otpnet.com

Sales: \$90 million
CEO: Philip Darrow
Headquarters: Columbus, OH
Locations: 12
Employees: 300

OTP Industrial Solutions offers technical support, pump repair, and local inventory for industrial customers in Ohio, Indiana, Illinois, Kentucky, West Virginia, Michigan, and Texas, with full support of pump, fluid power, mechanical power transmission, fluid handling, electrical, and automation applications. In addition to posting sales of \$90 million in 2009, the Columbus, OH-based distributor opened 2010 by purchasing Toledo, OH-based Midwest Fluid Power.

50. MACHINERY SYSTEMS

www.machsys.com

Sales: \$80 million
CEO: Ron Mager
Headquarters: Schaumburg, IL
Locations: 3
Employees: 63

Approximately half of Machinery Systems' revenue in any given year is generated from the sale of new machine tools. That market in the geography which the company serves was down 71.9 percent in 2009, compared to 2008. "We did what most good companies do," says Ron Mager, President. "We scratched and clawed for every sale we could find, and we cut our expenses everywhere we could." While the company was forced to cut salaries, lay off workers, and rely on furloughs to help overcome the slowdown, the company expects the marketplace to improve in 2010 and beyond. "The manufacturing segment of our economy rebounded better than most in our industry expected. However, the market is still far from its pre-recession levels. I do believe the market will slowly improve." According to Mager, balancing investment for growth with short-term profitability is one of his company's keys to success moving forward.