

HARDI: FOOTSTEPS to the FUTURE

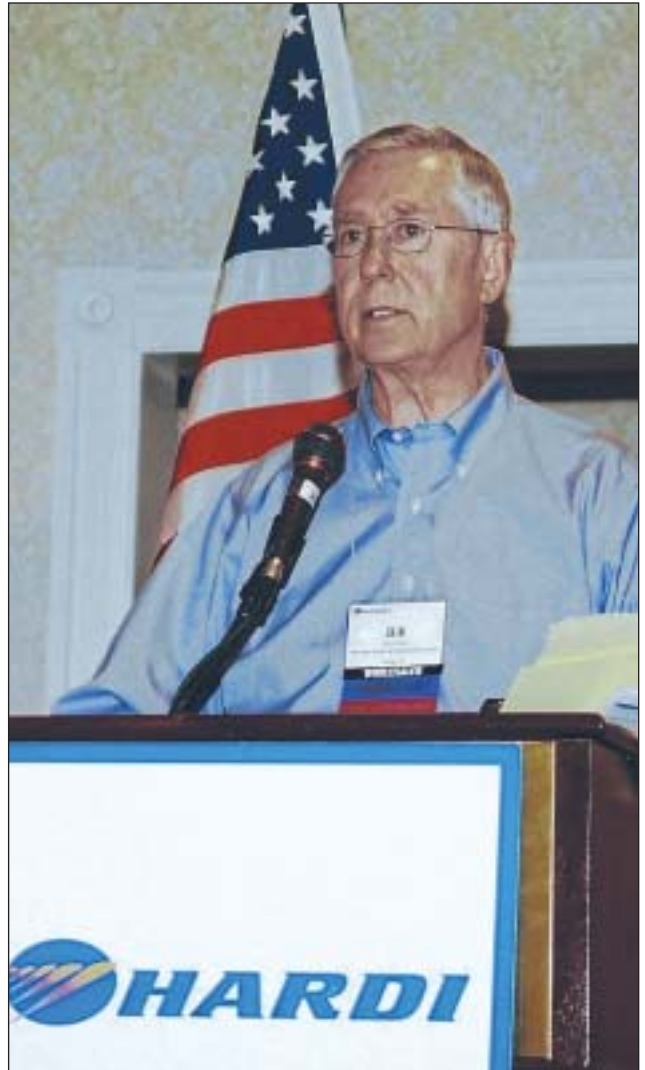
On Jan. 1, 2003, HARDI officially came into existence. But 22 days later, history was made in Chicago, when members comprising the “old” organizations, ARWI and NHRAW, met as the newly elected board. From now on, one single entity would represent the HVACR wholesale industry: Heating Airconditioning & Refrigeration Distributors International (HARDI). It was a momentous event – now almost three years old – that fulfilled a dream for many in the wholesale HVACR business.

A Brief History

It was often unspoken, but members of the predecessor organizations knew the year 2000 was ripe for completion of consolidation. Business sense and the practicality of one organization representing the HVACR industry presented a logical argument to which there appeared to be no counter-arguing rationale.

In the summer of 2001, the late Gary Burke, then president and CEO of South El Monte, CA-based Burke Engineering Co., was a trustee of NHRAW, and the ARWI had just elected him to its board. He suggested to then-president of NHRAW Scott Nicholson that talks could begin with ARWI president Paul Goulet. Industry consultant Michael Marks was then hired to facilitate discussions with the primary goal of creating one organization that incorporated the best qualities of the existing associations.

Besides the sound logic behind the consolidation, it was the people leading the consolidation that ultimately made it work, says incoming 2006 HARDI president Bill Shaw. “Doug Young and Frank Meier (HARDI’s first and sec-



Bill Shaw, incoming HARDI 2006 president.

ond presidents) had the toughest job of all. They had to get a new organization running, make it efficient and provide for a smooth transition,” Shaw says. “They did an admirable job.” He also gives high praise to two individuals who worked tirelessly behind the scenes to make the transition smoother for Young and Meier: Johnnie Drury, Fox Appliance Parts of Atlanta Inc., and Jim Truesdale, Brauer Supply Co., St. Louis, MO. Both Shaw and Don Freundberg, HARDI executive vice president and COO, give high praise to the staffs of both former organizations for working together in a cooperative and professional manner. The key was to complete the consolidation so that no one had their feathers ruffled by the emergence of a new organization. In short, that satisfaction reigned so that both memberships would overwhelmingly support the new organization.

The success of the consolidation and the efforts of so many contributors became obvious by the time HARDI held its

first conference in San Francisco in 2003. Everyone was ready to sit down and discuss the HVACR wholesale business under one umbrella organization. The idea of a single organization, HARDI, had become reality.

A Glimpse into the Future

With HARDI's fourth anniversary approaching, *HVACR Distribution Business* magazine took a few moments to talk about the future direction of the organization with incoming president Bill Shaw, president of Dallas-based Standard Supply & Distributing Co. Inc., and Don Frenberg.

HARDI Goes Global

The "I" in HARDI stands for international. It's been a mostly silent part of the organization's name, but that is about to change. As Shaw puts it, "We're going to take HARDI international. We already have the I in the name." Both Shaw and Frenberg believe that they're ready to begin recruiting more than the handful of international Members that already belong to the organization. Wholesalers know that foreign manufacturers find the U.S. market appealing but certainly complex. They see HARDI as the natural beginning point for any entry into the United States.

Conversely, they also believe that they can learn how the distribution system works in other countries, especially in Europe and Asia. "I think our system is pretty good," says Shaw, "but we do not have all the answers. You never discount how someone else is doing what you do. We can learn from our counterparts in other countries and end up with an even stronger organization that will meet the needs of an evolving global market. We'd be foolish to stick our heads in the sand and not take a look at how others are doing it."

HARDI has 11 companies represented outside of North America, but the number is still a "sprinkling" compared to the overall membership of nearly 1,000. HARDI sees future potential benefit in learning more about its overseas members.

In addition to ongoing discussions with existing international Members and other global wholesale distribution associations, HARDI is sending Shaw and Frenberg to Germany for the IKK NURNBERG 2006 next October for a three-day conference that bills itself as the "world's leading trade fair for refrigeration, air conditioning and ventilation." Europe, with its historical ties, is a natural starting point. Also, the European Union represents a massive market with more than 300 million residents (slightly larger than the United States) and is projected to continue expanding in the near future. Shaw and Frenberg plan to invite other wholesalers from HARDI who might be interested to join them as



HARDI executives attend a business development retreat.

a delegation on this fact-finding mission to Germany.

"This will provide us with an invaluable view into how the HVACR industry conducts its business, how wholesalers and distribution operates and, most important, how we might be able to access this market and its members for the benefit of HARDI," says Frenberg.



An informal networking moment at a HARDI conference luncheon.

Branding HARDI

Shaw, Frendberg and the entire HARDI leadership have a simple, uncomplicated view of the HARDI name and brand. They don't want anyone, anywhere, thinking or talking about

HVACR wholesaling in the United States without conjuring up the HARDI name.

While the HARDI name is becoming more recognizable, it is still unfamiliar to many people. Its two prede-

cessors also faced the image and branding issue.

"I know the problem existed even when I was a wholesaler, and I always felt that we never told anybody that we were good," says Frendberg. "We kept our light under the basket. I've always wanted to expand that awareness of distribution and to explain to the contractors and manufacturers why we're good and why they should be using us."

What Frendberg stresses is not so much that the name is unknown, though he would like to see greater visibility, but it's the clarity of focus of the message that has not received the promotion it deserves. "It isn't so much that many people don't know us, it is that they don't know why we're here," he says. "I want them to understand, without any confusion, why we're here, what programs we offer and, most important, why there are many benefits to joining HARDI. That's really the key: Demonstrating unqualified reasons why someone should join HARDI as a new Member or retaining membership."

In a move to expand its brand, HARDI teamed up with Penton Media Inc., one of the nation's largest business-to-business publishers. The HARDI newsletter, *Distribution Today*, is folded into the pages of *HVACR Distribution Business* magazine and reaches more than 10,000 wholesalers, manufacturers and independent reps bimonthly.

HARDI will hire a marketing director with the responsibility of imprinting and expanding the HARDI brand on everything that deals with HVACR distribution, according to Shaw. The director will be an essential contributor to the Columbus office. Having someone focused on this critical part of HARDI's future direction gives the organization the focus it needs to accomplish this important goal, says Shaw. "We want to make sure that if you're a contractor, a manufacturer in or outside of the United States, and you need to talk about wholesaler distribution, you will need to talk with HARDI," he adds.

HARDI Connects

According to both Shaw and Frenberg, they expect to see HARDI strengthening and expanding their alliances with the other organizations that are in the same or related industries.

Frenberg points to the established alliance with the Heating, Refrigeration and Air Conditioning Institute of Canada (HRAI). "They actually act as our Canadian region," says Frenberg. "We share a cost of receptions, and we work together on membership for both NRAI and HARDI."

Another example is the sharing of technology programs and services with HARDI through the American Suppliers Association (ASA) [*ed. note.* HARDI President Randy Tice is a former president of the ASA]. Through this agreement, HARDI provides technology resources through the HARDI Center for Advancing Technology, or HARDICAT for short. The associa-

tion is also in the process of developing closer ties with the Air Conditioning Contractors of America (ACCA). "We've previously presented a seminar on wholesaling at their convention, and we've entered into a dialogue with their contractors on how we [wholesalers and contractors] can work more closely together in a spirit of cooperation," says Shaw.

Shaw also points out the growing importance of North American Technical Excellence (NATE) as an alliance partner. By touting the value of testing and certification and offering their facilities as test centers and with proctors, wholesalers play a vital role in raising the standards among HVACR technicians. This, in turn, will raise both awareness and satisfaction among consumers.

Both men point out that by aligning HARDI with other well-managed organizations, HARDI can extend its influence, expose itself to the best practices

of other trade groups and speak with even greater influence when confronting broader technical and political issues, which the industry will face in the future.

Plan & Spec

Another area that HARDI plans to move into more decisively is the Plan & Spec field.

HARDI will offer a place in the organization for the Plan & Spec representatives. According to Shaw, many Plan & Spec reps are not members of any organization, but they represent numerous suppliers, many of which are HARDI members. The HARDI goal is to provide them with a platform and council with the organization.

Indeed, some HARDI members have a separate company that specializes in Plan & Spec, like Shaw's Bartos Industries.

"It's a specialized part of the



HARDI members pack the room during an educational session.

HVACR business, and it can sometimes become a bit more complicated, but we believe that there's a definite place in HARDI for them," says Shaw. "We want to be sure that Plan & Spec reps find a comfortable fit within HARDI that will help grow their businesses. We're not trying to turn Plan & Spec reps into wholesalers or vice versa," says Shaw. "We are giving them the opportunity to interact with their peers in a forum that is similar to our wholesale councils."

HARDI Highlights Its Conference

The focal point of HARDI's efforts, according to Frendberg, ultimately becomes condensed to a few days each year for the annual conference. A conference with increasing attendance demonstrates that HARDI is succeeding at its job by attracting and keeping Members, and it also demonstrates its value because they feel they need to make the time to attend. HARDI's second annual conference in 2004 had 1,300 attendees.

"I believe our major responsibility as

an association and particularly an association staff is the perpetuation of HVACR wholesale distribution," says Frendberg. "That's our major goal – to make sure it's as viable 50 years from now as it was 50 years ago."

"Members, and that includes both wholesale Members as well as the supplier Members and service vendors, will see HARDI becoming stronger because people continue to recognize its ability to represent the industry so well and its ability to give a product to the membership that they deem is valuable," says Shaw. "That's our job at HARDI: to make this organization stronger than ever for the benefit of its Members and the industry."



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