



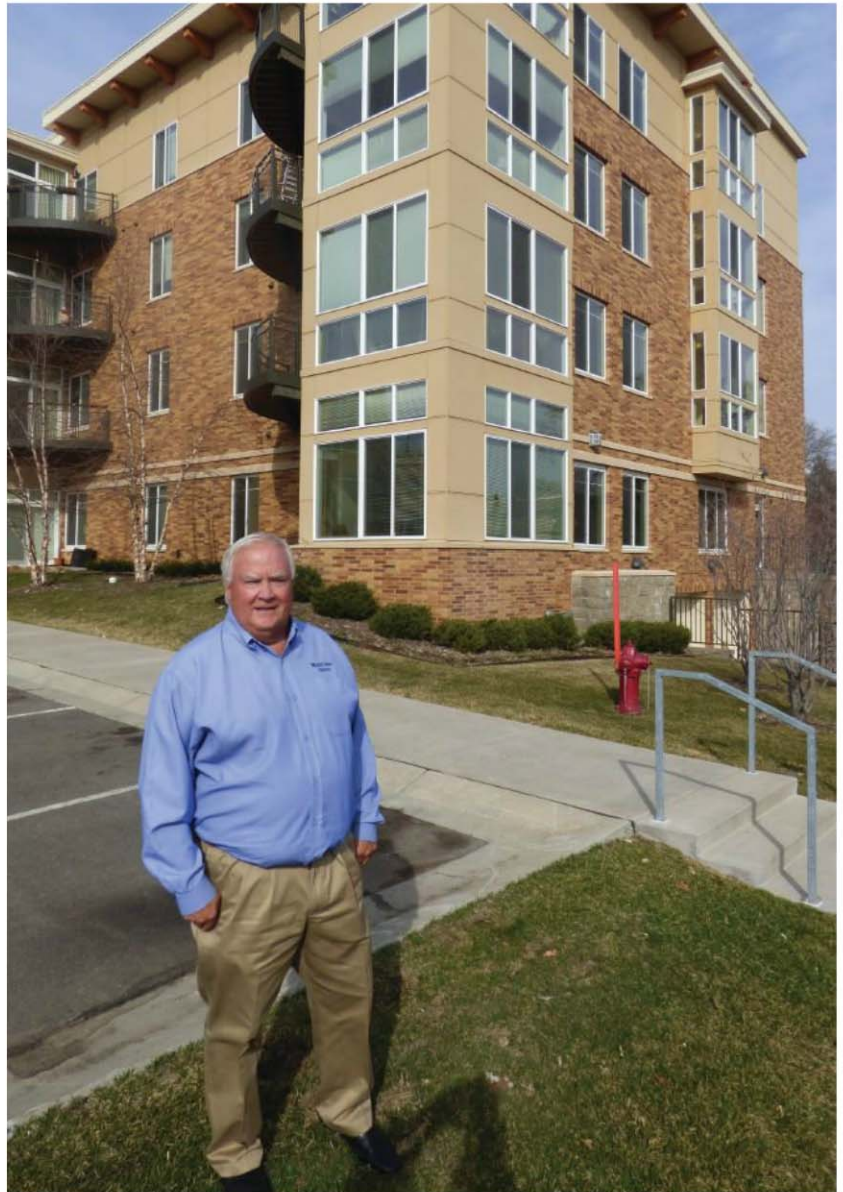
St. Paul, Minn., firm prepares for future with its investments in the commercial markets; detailed plan for next generation of leadership.

When someone has as much experience and the extensive roots in the manufacturers rep industry as **Kelly Michel** does, he can use that knowledge and wisdom to try and envision what's coming on the horizon.

In 2011, when the longtime leader of St. Paul, Minn.-headquartered Michel Sales Agency – **pme's** 2016 Manufacturers Representative of the Year – thought it was the ideal time to invest in its training operations, especially for the commercial construction and engineering spec markets, it was clearly understood Michel Sales was going to have to be leaders, too.

"I learned this at AIM/R," he states of the industry's national best practices association. "Typically, when you are in front of a group for training, no matter what the product line, you thank everybody for coming and introduce the trainer from the factory. What happens, in the minds of everybody in the audience is that he's the expert, not you. We decided early on we have to learn how to be the expert."

Today, Michel Sales – which counts Minnesota, Wisconsin, the Dakotas and the Upper Peninsula of Michigan as its territory – has installed in its headquarters building a working 4 million Btu/hr. Laars MagnaTherm boiler, four live Bradford White commercial water heaters and a plethora of other products the company represents including Webstone Valves, Wilo, Spears Mfg., REHAU and Warm Rain for visiting local engineers, commercial contractors and distribution



Michel Sales Agency's Kelly Michel outside a St. Paul, Minn. retirement home. A large amount of the **pme** 2016 Manufacturers Representative of the Year's lines are installed in the facility. Over the last five years, Michel Sales has committed a great deal of resources to the commercial markets.

Photos by John McNally/pme.



Laars National Training Manager Steven Moruzzi (far right) conducts a session on a working MagnaTherm boiler at Michel Sales' headquarters. The manufacturers rep has increased its training capabilities in concert with its investments in commercial products.

partners. It was modified by Michel Sales' outside sales staff member **Rick Genrich** for customers to get an up-close look and hands-on training.

There also is an intense amount of training for the majority of the 15 employees at Michel Sales because they have to be able to help their customers solve problems at a moment's notice.

"We decided we're going to train ourselves," Michel says. "We're going to go out with our contractors on trouble jobs, work with them and solve their problems. That helped us learn the installation business and helped us to understand where the problems might be and how to solve them."

Michel Sales' manufacturer partners have taken notice of the company's dedication to education. Laars Director of Sales **John Warner** appreciates that Michel Sales takes on the lion's share of the load in understanding his company's product line, allowing for his team to supplement help when needed.

"They are very independent and they pride themselves on making sure they know the product," Warner says. "They have no problems going out to jobsites and figuring things out. A lot of your commission reps do not do that."

Charting the course

Beyond providing the water heaters, in-floor radiant tubing, valves and more for some of the major commercial projects in his region, Michel has become quite an adept bridge builder. At 65 and with three decades



Bradford White water heaters are installed at Michel Sales training center that the company expects will host nearly 800 trainees in 2016.

in the industry, Michel has seen poor or no succession planning sink a company. Four years ago, he began creating the plan for Michel Sales with the help of trusted colleagues inside the company, AIM/R and manufacturing partners.

The first baton handoff will be with **Dean Parker**, the current outside sales manager for the Twin Cities and North Central Minnesota region. Parker has been with Michel Sales for 20 years.

"It's a natural progression because of Dean's experience," Michel states. "He's 55, I'm 65. (Kelly's son) **Rick Michel** is 42 and then it does down from there. Now, we've got this terrific blend of age and youth. Also, Rick Genrich, the eastern Wisconsin senior sales associate is providing excellent mentorship to his son, **Zack**."

"In Dean's case, for him to add the responsibility, we had to sit down and put together an agreement that would work for both," Michel says.

Parker, who came to Michel Sales from another rep firm, used to call on just commercial plumbing application and specification engineers. He has been impressed with Kelly Michel's patient and pragmatic approach to developing the succession plan.

"I am able to work with Kelly between his retirement and when the next phase will



From left: Kelly Michel, along with his sons, Dan, Matt and Rick, are the third and fourth generations to steward Michel Sales in the Minnesota, Wisconsin, Dakotas and Upper Peninsula of Michigan markets.

happen – whether that’ll be in five, six or 10 years,” Parker says. “You see it frequently in our business when someone just hands the company over. A lot of times it does not work and everyone suffers. Kelly has been very methodical about this. He is big on education and knowledge, but going very slow through the whole process.”

For Parker, it has been truly exciting and interesting to see how the next generation of leadership at Michel Sales rounds into form.

“We have Rick (Michel), **Matt (Michel)**, **Dan (Michel)** and Zack (Genrich) here,” Parker says. “They all bring their unique talents to the table. It’s fun to watch those guys grow in the business both with their knowledge, the flow of the business, the knowledge in the products and the industry relationships.”

Putting the pieces in place

When Rick Michel started his role as an outside salesperson, Parker took him under his wing to start creating and fostering relationships with customers. In turn, Rick Michel did the same for Matt Michel and finally Matt paid it forward and showed Dan Michel the ropes.

Dan Michel – who started in inside sales to learn the products, just as each of his brothers

did – believes it is incredibly beneficial to have his siblings in the building to learn from.

“If there was ever an issue about how to deal with a customer or to fix a problem, I was able to go to Rick and Matt,” he states. “They would walk me through it. That was important because I learned. We always are bouncing situations off each other.”

Rick Michel primarily handles the North Dakota territory for the company and says the region has a diverse economy that stems from the Bakken shale region. Because of the oil boom of the last few years – which has slowed down recently because of falling oil prices – Rick Michel says the company has been able to be successful for a long stretch of time especially with its Spears, Bradford White and Laars products.

“That has been busy for us the last five, six years,” Rick Michel says. “A lot of multifamily houses, schools and hotels are going up. It has been a boom for us.”

Matt Michel services the Twin Cities, Rochester, Minn., and western Wisconsin cities including Hudson, Eau Claire and La Crosse. Rochester is booming with the world-renowned Mayo Clinic continuing to expand. He states the region is expected to double in size of the next decade.

“They are pouring a lot of money into the clinic,” Matt Michel says. “That just recirculates out in the industry with new multifamily, schools and homes being built.”

Dan Michel currently covers South Dakota, southwest Minnesota and northern Minnesota. With a lot of projects being completed in the Sioux Falls region, especially along the Big Sioux River, he stays busy.

“In South Dakota, we’re seeing a lot of Spears’ plastic ball valves (being purchased),” Dan Michel says. “A lot of lab space is going up in the schools there. South Dakota has done a good job of retaining some big business and bringing business in. A lot of them set up shop in Sioux Falls.”

Rick Genrich has been serving eastern Wisconsin for more than 20 years and has the reputation as the “king of the trainers,” according to Kelly Michel. His working cut-aways are a thing of legend and so is his commitment to personally solving problems.

Zack Grenich comes from a strong lineage of hands-on problem solving and it doesn’t hurt that his portfolio contains a mechanical engineering degree from the University of Wisconsin-Milwaukee.

Making the calls

Bringing on **Brian Salisbury** as outside engineering support and sales team member was another crucial investment for Michel Sales. After 28 years of consulting engineer experience, Salisbury connected with Parker, his longtime friend, and quickly found a role with Michel Sales.

“(Parker) said to me, ‘Kelly has been looking for someone like you for a long time,’” Salisbury recalls.

In Salisbury’s eyes, calling on the engineers is not much different than speaking with distributors or contactors about products.

“I like teaching and helping people. So if they call me, I like to get back to them right away because I have been on their side. They are calling because they need the information now,” Salisbury says. “It is just like sales; it is all about the relationships. It is rewarding when your peers call on you to ask questions. You know you are making an impact.”

Michel Sales has called upon **Mark Brengman**, P.E., and president and principal of Crystal, Minn.-based Steen Engineering, for more than 20 years. Brengman



Harold Bruner, P.E., is one of two in-house engineering experts for Michel Sales Agency. He designed the solar hot water and radiant systems at the company's headquarters.

appreciates the responsiveness he receives from Salisbury and company.

"Brian's knowledge of the commercial market shows through," Brengman says. "He has valuable field and system design experience. He has assisted numerous times with hydronic boiler control knowledge as well as practical water heating sizing."

Each of the four-and-a-half states Michel Sales covers have "exchanges" – websites with commercial project specs uploaded to view. There, the company can see what products have initially been speced for the application and Michel Sales can reach out to engineers and see if their products would be an equal or better fit. In 2011, Kelly Michel saw that these projects on the exchanges were missed opportunities and quickly rectified that issue.

"We need to pull off our stuff, and/or find out where we're not approved," Kelly Michel says. "We brought on board **Dan Dunham**, our 'quarterback,' to call the game on these opportunities. Within a couple months, we brought in two people and staffed it. We had to get on the exchanges and it was a significant investment. But it is definitely paying off. Getting into the engineering community is not something you can do in a hurry."

Dunham and Salisbury spearhead the

operations to see if an engineer will approve putting in a product such as a Bradford White water heater or Laars boiler in addition to what originally is speced.

"We write to the engineer and ask if we can be approved. We show them why we have an excellent product," Dunham states. "Then, the engineer has the option to include us in the quote or not. There is usually a 10-day period to get in the spec and for them to send an addendum of approval."

Dunham says the process can be a tough road to navigate because engineers may not want to edit their plans. But eventually they will with enough contact and trust from the engineer, he adds.

"Getting to heaven is when they say, 'We will put you in our master spec,'" Dunham says.

Michel Sales has worked with in-floor radiant tubing manufacturer REHAU since

1997 when the product came to the United States. The work on the exchanges by Dunham and Salisbury has not gone unnoticed or unappreciated by **Jeff Schneider**, the manufacturer's Midwest regional sales manager.

"(They) have made a significant impact on plan spec project awareness and sales realization," he notes. "Having approved product within specification is critical to timely quotes and potential sales. Michel Sales does a great job staying ahead of the bid and requesting approved equal status for any products not listed."

Salisbury – a longtime ASPE member who just retired from the association's national board – works the phones and gets face-to-face time with engineers as well and acknowledges it takes time to be at the forefront of their specs. But the investment in the exchanges and engineers is worth it for Michel Sales, especially for the Laars product line.

"I have been able to go out and plant seeds," Salisbury says. "We let the engineers know we are slightly different, but we can do this. I have been planting seeds for the past three years. Now we are starting to cultivate those seeds and getting business. It is gratifying."

Harold Bruner, P.E., has been with Michel Sales for 21 years after owning his own mechanical design firm right after college. Bruner works through technical problems with engineers, but also did the design for the solar PV and the radiant heating and cooling applications at Michel Sales headquarters. Bruner and Michel Sales make their time and space available to local engineering student for lessons.

"Recently, we had St. Paul Technical College students over, about 12-15 students, for a class on solar heating," Bruner states. "Even though we do not have a solar line anymore I was able to give them a class on it."

Michel Sales Agency Product Lines

- Bradford White
- Laars
- Webstone Valves
- REHAU
- Wilo
- Spears Mfg.
- Warm Rain
- TracPipe
- Canfield
- Nomaco
- Fantech
- General Plastics
- Rhomar Water Management
- Kroy Industries



Brad Taylor, Bradford White's Midwest regional sales manager, believes Michel Sales investment in its people such as Salisbury, Dunham, Bruner and beyond has been critical for the companies' 24-year working relationship.

"Their ability and their support makes them an extension of the factory," Taylor states. "Our values are aligned. It keeps us going."

The goods

Five years ago, Kelly Michel and his team meet with Warner about taking on the Laars line. Warner was looking to make a change after the company's previous representative – one Laars had a relationship with for more than 30 years – did not have a succession plan in place.

Warner came away impressed with the plan Michel Sales had for Laars and its place in its territories. In addition, Warner was blown away with the amount of investment Michel Sales would put into its training capabilities at its St. Paul office.

"As a team, we have made a lot of investments in training," Warner states. "For Michel Sales to put in a Laars MagnaTherm product, which is \$20,000-\$30,000, as a working model and have every other product we have installed as a working model, that is amazing stuff. You do not get a rep to do something like that."

Michel Sales has only been working with Spears Mfg. for two years, but Midwest Regional Sales Manager **Kevin Crouch** reports the partnership has developed quickly. Crouch notes Michel Sales has increased Spears sales in its territory by more than 50% in the first year.

"It has been a seamless partnership," he says. "Michel Sales does an outstanding job. They have lots of feet on the streets and they are a true spec engineering rep."

Kelly Michel took a chance when REHAU first came to the U.S. and it was a risk that paid off thanks to tireless work. "Michel Sales worked diligently to achieve sales forecast and growth by pull-through sales, making sure contractors understood the product had the support of the agency," Schneider recalls. "Everywhere you go within the market, you always will find that engineers, contractors and distributors know someone on the Michel Sales team. They always have a positive attitude and attack issues head-on."

In the bloodstream

AIM/R has been a part of the Michel family since its inception. Kelly Michel's father, **Chuck Michel**, was one of the founders of the organization in 1973. In 1991, Kelly served as AIM/R president and he was a member of the first class elected to the AIM/R Hall of Fame in 2015.

Kelly Michel still regularly attends the annual AIM/R conference and other meetings, while his sons and other Michel Sales employees also take part in what the association provides to help strengthen businesses and individuals' careers.

"If you do not go to the annual conference, do not belong to AIM/R," Kelly Michel states. "Otherwise, you are just putting your name in a rep book and that's it. AIM/R is like having a stable of mentors."

Rick Michel served on the AIM/R board for the past six years and believes networking, especially at the annual conference, is the biggest benefit members receive from being in the organization. He says the millennial generation could benefit from taking part in AIM/R.



Dean Parker, right, will take the lead at Michel Sales Agency when Kelly Michel decides to step aside. Parker has been with the firm for more than 20 years.

"We have the group LOTT (Leaders of Today & Tomorrow)," Rick Michel says. "It has been one of the recent successes of AIM/R and the conference. They are typically younger members who get together and have special breakout sessions. They will do agency reviews and more. That has been real successful and the group is recognized as a substantial contributor to AIM/R."

Finding the right talent

With Dan Michel and inside sales rep **Nick Kruse**, Michel Sales Agency has a pair of millennials at their disposal to help lure new talent to the company and to the industry. Kelly Michel says he has staunch rules about bringing on talent.

"First of all, I do not believe in taking people from other companies," he says. "If somebody is not happy with somebody, they will let certain people know. I will never call anybody from another company unless they call me and then we will move from there. That sounds holier than thou, but that is the truth and the right thing to do."

For Kruse, who Parker discovered, it is about putting him in the right place to succeed and having strong lines of communication. Under the initial strong guidance of inside sales veteran **Shon McClain**, Kruse is off to the right start.

"He is a good kid, has a great attitude, is hard-working and does not mind getting his hands dirty," Kelly Michel says. "And he has come in and done everything we have asked him to do."

Kruse, 24, is showing the initiative by coming in on Saturdays to receive extra training on products with Product Specialist **Larry Sundberg**.

"He runs me through stuff. It is great that he takes the time to do that for me," he says. "It is constant learning."

Kruse will sit in on many of the training sessions that take place in the upstairs training area, sometimes multiple times in one session.

"Hearing it over and over again does not hurt," Kruse says. "You hear something new every time."

Matt Michel notes the importance of working in concert with the Michel Sales inside sales staff team that consists of McClain, Dunham, Kruse, **John Durkee** and **Betsy Peters** – who has been with the company longer than Kelly Michel.

"When we are out (on the road) we have to rely on the inside team," Matt Michel says. "If there is an email we can't answer, we forward it to them. They are pricing all the orders coming in. You need to have that one-two punch."

Webstone Valves Midwest Regional Sales Manager **Brian King** believes Michel Sales Agency is the cream of the crop in the manufacturers rep market.

"I have a great deal of respect for them. They have been a Webstone rep for almost six years," he says. "They conduct themselves with such professionalism that, frankly, I cannot imagine ever thinking anyone else would do a better job."

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you always will find that engineers,
contractors and distributors know
someone on the Michel Sales team."***

— REHAU's Jeff Schneider

Kelly Michel has seen it all in the industry and wants to ensure Michel Sales is proactive to avoid as many issues as it can.

"Years ago one of our veterans said, 'If you go to see a customer, and on his desk are a bunch of paper and none of it there is for you, that means you do not have any problems with him, and you can start your visit by presenting new items,'" Michel states. "The Midwestern attitude is, 'What is fair, what is right and how are we going to solve the problem?'"

And solving problems is exactly what Michel Sales does. **pme**



CONGRATULATIONS

Michel Sales Agency

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