

Trends in the Commercial Door Hardware Industry

■ **Bottom Line:** Products still reign supreme—but added-value items offer competitive advantage

■ **BY WARREN HAGER**

WHEN CHARLES HAGER FOUNDED

the C. Hager & Sons Hinge Manufacturing Company in 1849, the American Civil War was still more than a decade away. As an apprentice locksmith from Germany, little did Mr. Hager know then that his burgeoning business making metal wheel rims and hinges for the Conestoga wagons leaving St. Louis would one day forge a new frontier of its own in the present form of the Hager Companies.

Over the course of the past 158 years, many trends across America have come and gone... some have even come full circle and in the spirit of history repeated themselves in the process. But in terms of where we are headed in the commercial door hardware business today, it is increasingly apparent that the focus is less on the products themselves and more on aspects



related to service and value-added items—with a focus on product-line diversity and flexibility.

“In order to give customers more value for the price and ultimately make their lives easier and more streamlined,” said Donnell Siebert, Vice President of Marketing and Product Development at Hager Companies, “the hardware industry as a whole has had to modify its strategy for providing a quality approach to serving customers. It is no longer good enough to have a quality lock, hinge or closer. Top-notch products are a *given* in today’s marketplace. Now companies industry-wide are differentiating themselves through value-added items in order to compete and remain successful.”

So what are these *value adds* from a service perspective? What have customers of commercial door hardware products come to expect from the industry as a whole? The following description provides industry insights and summarizes where we have been and where we are going—specifically as it relates to value-

added components of the business such as specification writing and just-in-time accommodations.

Specification Writing —taking the task in-house

During the past decade a major shift in how product specifications are handled has occurred in the door hardware industry. For example, many architects, independent spec writers and distributors have simply stopped writing specifications, turning this function over to the vendor representatives. This has had a tremendous impact on the industry in terms of the competitiveness of supplied products for the building owner.

Previously, there were literally thousands of independent spec writers who would provide product specifications and design coordination on projects to architectural firms. Today, spec writers by and large no longer operate as smaller, independent entities but rather are affiliated with the door hardware

manufacturers themselves, serving as a part of their internal sales teams. In order to compete in the marketplace, hardware companies are cross-training their sales forces to provide architectural hardware consulting and spec writing services at no additional time or cost to the client.

This value-added service component—formerly a separate, independent activity—is now housed within the framework of the hardware companies themselves. In an effort to provide the best service possible, the time and cost associated with spec writing is built into the overall structure of the sales process. As a result, hardware companies are retooling their sales teams to include subject matter experts in the area of specification training, giving them the ability to assign team members to specific architects by geographic region.

At present, door hardware companies nationwide are themselves providing the functional specifications for finished products, including how they will be incorporated into all building structures, including hospitals, schools, office buildings, government facilities, rental properties, hotels, airports and a wide array of industrial projects.

“The key benefit of including the functional spec as a ‘value add’ and incorporating it as an in-house step streamlines the architectural process,” said Steve Delatte, Vice President of Strategic Sales at Hager. “Once the architect has the spec in hand, ideally all the basic questions about the structure are answered upfront, enabling the building process to begin without guesswork or personal interpretation.”

Having this segment of the game plan defined in-house also enables



the spec writer to marry the end user's experience with the various departmental, business and technical requirements of the project. This philosophy offers an added sense of synergy through benchmarking, cross-learning/training and cross-selling companywide.

The enactment of NFPA 80 2007 edition requirements for annual inspections of fire-rated door assemblies is a perfect case in point. The entire spec process becomes all the more integral in terms of how hardware products like closers, hinges, and smoke seals, to name

a few, tie into bringing doors into code—and ensuring that everyone involved with a project is on the same page.

Just-in-Time Accommodations *—strengthening partnerships*

It's no secret that just-in-time (JIT) inventory systems are designed to ensure materials or supplies arrive at a facility "just" when they are needed. Given this arrangement, storage and day-to-day holding costs are minimized significantly. Door hardware companies across

the country and around the world are using the JIT set of techniques to improve their return on investment by reducing in-process inventory and its associated costs.

"As a whole, the industry is moving closer to the JIT inventory philosophy," said Eric Klein, Senior Vice President of Sales at Hager. "Everyone from door and frame manufacturers to hardware companies is under increased pressure to reduce lead times. Because of this fact, we are seeing wholesale distribution in both the hardware and doors/frames arenas grow in size and quantity. Distributors are keeping a reduced inventory on their shelves due to the ever-changing finish trends and the cost of carrying large quantities of products."

Similar to the automotive industry, door hardware companies are now viewing inventory as incurring costs, or waste, instead of adding value to a company's bottom-line, which is contrary to traditional thinking. The industry as a whole is on board with the overriding theory that inventory systems are all about having "the right materials, at the right time, at the right place, and in the exact amount."

In addition, companies in the hardware industry are seeing firsthand the many benefits resulting from JIT inventory systems. Set-up times are significantly reduced from a warehouse perspective. The flow of products is also improved and has, likewise, parlayed into a much-needed emphasis on supplier relationships industry-wide.

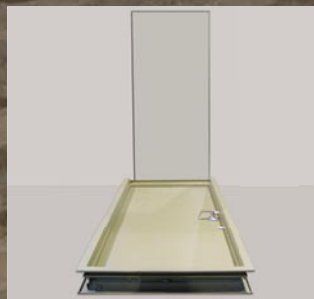
Klein indicated that in general, this type of emphasis on quality service—combined with an understanding of and responsiveness to local needs, business requirements





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and distribution strategies—remains paramount to success in the industry.

"From the perspective of Hager Companies specifically," Klein added, "JIT accommodations have strengthened customer partnerships by delivering products more rapidly. In general, these continued improvements have been instru-

mental in supporting all added-value services beyond the basic product line being offered."

The Future —what lies ahead?

Door hardware manufacturers continue to position themselves

in the best possible light in order to impact future growth. With the bottom-line emphasis on quality and service, companies are by and large free and open to incorporating technological and marketing advances as they become available.

Many companies are also diversifying their product lines in order to become a single source, complete solutions provider for their customers. According to Siebert, there are several benefits associated with the single source approach to doing business. First and foremost is the ability for door hardware manufacturers to be competitive and give their customers the best possible value. In addition, other benefits derived from this approach include reduced decision-making timetables, improved delivery of products and services and decreased administrative costs.

"Customers across the industry have come to enjoy the simplicity that manufacturers offer across the board by streamlining the purchase process and providing efficiency components such as one invoice and one sales contact for all product lines," Siebert concluded.

So goes the industry at large. Door hardware manufacturers are managing diverse product lines with a focus on flexibility and customer needs that go well beyond the scope of the end product. Given that these value-added service aspects are now a part of the industry's framework, customers can expect to enjoy these quality service perks now and well into the future. **dh**



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