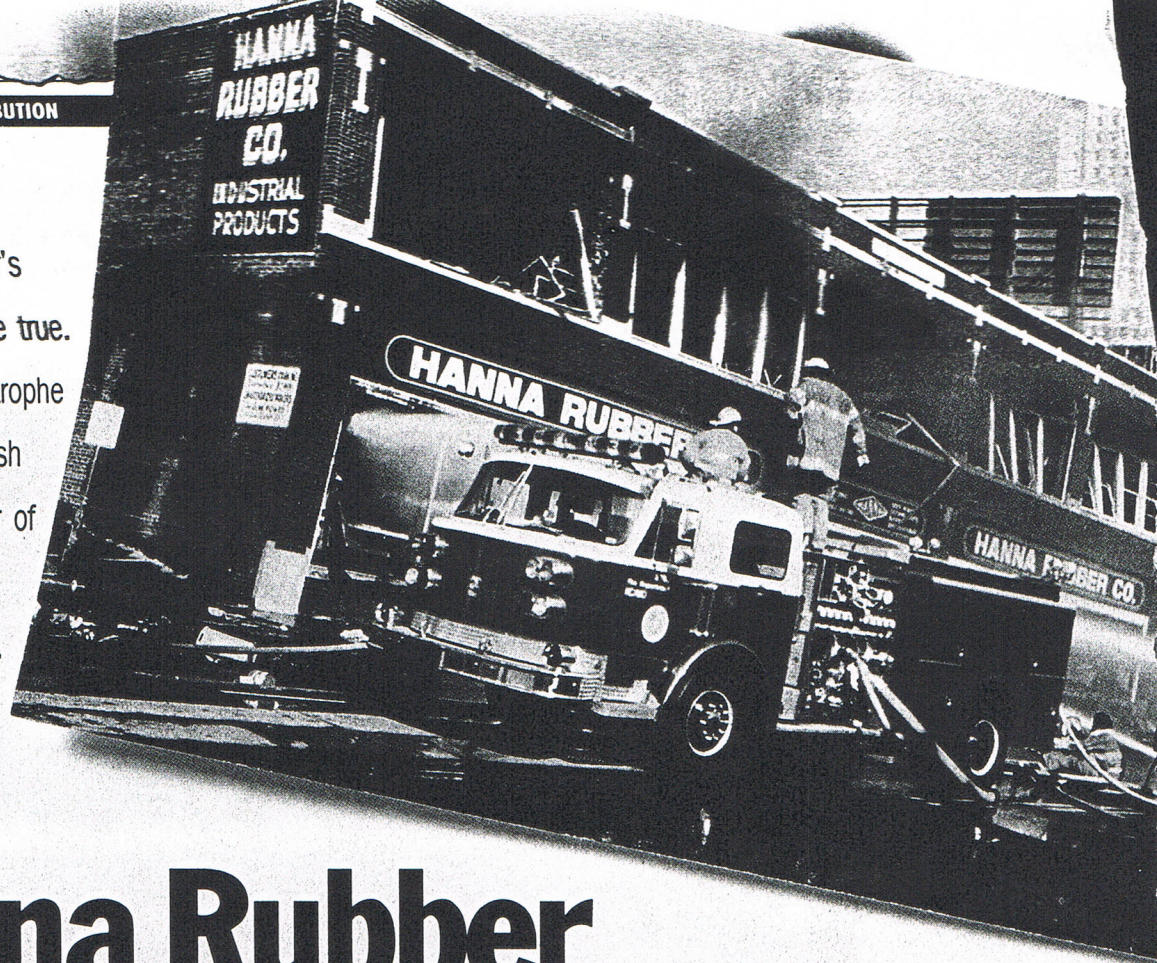


It was a distributor's
worst nightmare come true.

But even this catastrophe
couldn't extinguish
the staying power of
Hanna Rubber
in Kansas City.



Hanna Rubber bounces back after devastating fire

By Christine Forbes, Associate Editor

When Hanna Rubber Co.'s president, James B. Vandergrift, received the phone call at 5 a.m. on March 25, last year he thought it was a crank call.

Unfortunately for Vandergrift and his Kansas City, Mo.-based business, it wasn't.

The early morning caller was one of Vandergrift's employees phoning to say that his hose and rubber products distributorship was engulfed in flames. "The employee lived in the area and saw the smoke," recalls Vandergrift. "He called even before we heard from the fire department."

The thick smoke his employee saw was the same billowing,

black cloud Vandergrift and his wife spotted as they drove toward the heart of Kansas City. But by the time they saw it, Vandergrift says, "The smoke was so voluminous that we couldn't even see downtown."

And so went the beginning of what might have been perceived as the end. Hanna Rubber, founded in 1925, caught fire for a still undetermined reason and smoldered to the sidewalk. Losses were estimated at \$3.5 million. "It was utter devastation," says Al Kelly, sales manager for Hanna Rubber. "We lost everything."

Even more amazing than the devastation of the loss though, was the speed and magnitude of the recovery. In less than one year, Hanna Rubber overcame the catastrophic fire and the confusion that comes

with starting from scratch. And then they went one better. The distributor increased sales by 12%.

From the ground up

The old, wooden building that Hanna Rubber called home, coupled with the highly flammable supplies that were stored within it, put this distributorship at high risk for fire. But nothing could have prepared this owner and his staff of 40 for the catastrophe that occurred.

No one would have blamed Vandergrift for chalking the experience up to a total loss, despite the fact that the business was adequately insured. And he admits that closing up shop did enter his mind. "When I saw the fire, my first thought was, 'I'm just going to forget it,'" recalls Vandergrift.

But one year later, it's clear that throwing his hands up in defeat was merely a fleeting notion. According to Kelly, the first steps at re-establishment were taken as the firefighters maneuvered their hoses to squelch the blaze. "We used my car phone to make calls to customers and suppliers from the scene of the fire," says Kelly. "It was our first command post."

The second command post was the cellar of the Vandergrift household. Kelly and Vandergrift worked swiftly to organize the inside sales staff in the finished basement. "We made a call to Southwest Bell immediately and had six lines installed by 12:00 p.m. that day," says Kelly.

Vandergrift notes that it was business as usual in the makeshift office. "We were taking orders almost immediately and shipping, too," he says. "In fact, we were using a household scale to weigh packages."

The staff worked hard to maintain the operation while simultaneously notifying customers and suppliers of the situation. "We had to inform suppliers so they could start sending new inventory and tell customers so they wouldn't hear about the fire and turn to another distributor," explains Kelly.

It seems the Hanna Rubber staff achieved its goal. According to Dave Summers, vice president of marketing for Koch Supplies, Inc. in Kansas City, the transition was "incredible." "It was almost as if nothing happened," says Summers. "There were no delivery delays whatsoever. I don't know how they did it."

The people behind the recovery

Vandergrift knows how they did it. He attributes the successful rebound of his revered operation largely to the commitment of his employees and their families. "Everyone rallied; it was a team effort," he says.

The effort peaked when Vandergrift held a staff meeting at his home the night after the fire to assure employees that no jobs or paychecks would be forfeited. "Everyone came and offered their support to get the business up and running again," says Kelly.

Less than a week later, Hanna Rubber proved its commitment to the employees by moving the "underground" operation to a new temporary location.

Getting by with a little help

While the employees were critical to Hanna Rubber's swift recovery, Kelly notes that its suppliers were invaluable to the jump-start effort as well. "Within the first week, we ordered new stock and had 20 loads of equipment delivered," he recounts. "Many of our suppliers gave us special terms." One West Coast supplier delivered a truckload of stock in just three days.

They were bending over backwards, says Vandergrift. "Our suppliers really came to our rescue. We'd pick up the phone and hear, 'Is there anything we can do?' It was incredible."

Gates Rubber Co. in Denver, Colo., was one of those suppliers. "I alerted the credit people in Denver that they might need special terms," Jim Buchan, regional sales manager for Gates in Overland, Kans., says. "We had no problem going out on a limb because Hanna has been such an outstanding distributor for us."

And the customers? Vandergrift still marvels at the loyalty they demonstrated. "Hanna Rubber didn't lose one customer as a result of the fire. In fact, we gained them," he says.

Supplying back-up information for their own accounts was, perhaps, one of the only inconveniences customers faced as a result of the fire. Sondra McCrary, senior buyer for Labconco Corp. of Kansas City can account for that. "Everything went beautifully," McCrary says. "Hanna Rubber did all they could possibly do to take care of our needs."

Koch Supplies' Summers agrees. "We didn't have one delivery problem," he says. "Their fire did not affect our business at all."

Hanna Rubber's competitors may have been hoping that the mammoth blaze would affect their own businesses—in a positive

Hanna Rubber's new headquarters in Kansas City is a few blocks from the scene of the fire.

way. But from all accounts, the challengers didn't have a chance. "Our competition started spreading word of the fire almost immediately," he says. "But Hanna Rubber people were quicker with the news that they were still in business—and they followed through with service."

Hanna Rubber has been following through ever since. Almost one year to the day of the fire, Hanna Rubber moved into a new permanent facility not far from the fire site. "It's visible and convenient," says Vandergrift. "It's so nice to be permanent again."

Permanent or not, though, Hanna Rubber has made good out of an indisputably bad situation. "We're much stronger," says Vandergrift. "Despite the fire, our sales are up over 10%. We've also picked up some new key accounts and added two new salespeople."

Kelly mirrors those sentiments. "We had the second best year in our 67-year history," he adds. "Hanna Rubber is one of the oldest distributors in the Midwest, and now we're also one of the newest."

Hanna Rubber may also be one of the most resourceful and quick-on-its-feet. In the wake of burning adhesives, popping aerosol cans and melting belts, this Kansas City distributorship kept the competitors at bay and the rubber ball bouncing. **ID**

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