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## Ahead of the Pack

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### **General Rubber, a hydraulics and industrial hose and accessories distributor, takes on two new initiatives to distance itself from the other guys**

*By Kimberly Griffiths, Associate Editor -- Industrial Distribution, July 1, 2005*

For Jack Kacsur, president of General Rubber Co., a distributor of hydraulic hose and assemblies, and industrial hose and assemblies headquartered in Milwaukee, the last 18 months have been a period of growth for his company.

This year, in particular, looks to be a good one too, says Kacsur, due to two new initiatives he and General Rubber have embraced: the HAG and the Circle of Safety.

### **Two new programs**

'We have made a commitment to adhere to NAHAD's new hose guidelines,' says Kacsur, 'and look forward to using them to help us become an even better hose assembler.'

Kacsur is referring to the Hose Assembly Guidelines that, a decade in the making, were released by the Assn. for Hose and Accessories Distributors this year. The guidelines specify and clarify the best practices for fabricating and manufacturing five types of hose. The association, in an effort to brand itself with and educate its distributors and end users, are encouraging distributors to join the ranks of 'listed distributors' who will promote the guidelines and promise to do business within their tenets.

Distributors may sign on to be listed as a fabricator or provider for all or each of the hose categories: hydraulic, industrial, corrugated metal, composite and fluoropolymer. General Rubber is listed as a distributor for all as either a fabricator or provider.

'The guidelines give the user a comfort level that can be consistent throughout the industry,' explains Kacsur. 'The early indications are that the industry is welcoming the guidelines, and that they were needed. Now it comes to us to educate the end user about how they can benefit from specifying assemblies according to the NAHAD guidelines.'

The guidelines, says Kacsur, should be trumpeted for their unified set of standards, as they were agreed on by all participating manufacturers and distributors, and as the legitimate, qualified resource that they are.

'They are a cooperative effort, and contain the technical expertise of all those who participated,' says Kacsur. 'There's no question that they will be a valuable training tool.'

The Circle of Safety, a program developed by Parker Hannifin for a chosen few of its distributors, has expanded the manufacturer's liability for hose and couplings to include industrial hose.

'Manufacturers had, for some time, stood behind any hose assembly that was assembled according to their guidelines with their products, should it fail,' says Kacsur. 'But that was for hydraulic hose. Parker has now taken that approach to industrial hose. But now too, if a distributor fabricates a hose assembly, and has to use a coupling or something that Parker doesn't make, they can send the assembly to Parker, who will test and certify it. If it passes, the company will stand behind the entire assembly.'

Distributors given the manufacturer's stamp of approval for that particular program are certified in the Circle of Safety.

Dick Facette is an industrial hose specialist with Parker Hannifin's industrial hose division, and is based in Milwaukee. He's worked with Kacsur and General Rubber for at least 10 years, and calls General Rubber Parker's go-to distributor in the area.

'For the Circle of Safety program, we were looking for the best distributor in the area with our products,' says Facette. 'We were looking to partner with a distributor to produce that crimped industrial hose with the company's backing, providing factory-made hose. That was General Rubber.'

'Jack is constantly growing his business, and we are fortunate to be a part of the mix,' he says.

'Both of these initiatives are good programs to be involved in,' says Kacsur. 'They provide another comfort level for the customer, and position us as different from the other guys.'

## **Refocusing on hose**

Kacsur bought General Rubber Company in 1994, acting on a desire to own his own business. Having spent some time with an electrical equipment manufacturer and having been involved with various channels to market, including wholesale distribution, Kacsur was a logical fit in the industry. Founded in 1926, General Rubber always had a stake in the hose business, but also sold pneumatic tools.

When Kacsur bought the company, he continued to sell the pneumatic tools, but soon found that, for a large investment, they represented a minimal portion of the company's sales.

'We [Kacsur and the suppliers] agreed to disagree on the amount of business General Rubber could build with the tools,' says Kacsur. 'We parted ways, and the tools are no longer a part of the business plan.'

While still carrying some tools, Kacsur has downplayed them in the company's offerings, and emphasized value-added rubber and hose products, General Rubber now offers die-cut gaskets; rubber cut to specifications, including cut-to-length hose and tubing; and kitting.

'When selling hose or fittings, I ask my salespeople to go beyond the sales transaction and ask their customers what they are doing with the hose, how they are handling it, and if they're changing it in any way,' explains Kacsur. 'We are looking for things that we can do for them before they buy it, taking on some of those after-purchase manipulations ourselves. Kitting is a good example of that, a way to save them time and money. The sales increase may not be enormous, but it is one more thing for us to provide our customers.'

General Rubber Co. also sources custom-molded parts by developing contacts and finding good products at the right price for its customers.

'We also do some bin stocking and line stocking for our customers,' says Kacsur. 'We'll go in, see what's needed at a particular customer, and generate those replacement orders. Every company has an application for hose or rubber products somewhere.'

Close to 60 percent of General Rubber's customers are OEMs and resellers. The final 40 percent is MRO.

Says Mike Geurts of Miller Electric Mfg., Co., a manufacturer of arc welding and cutting equipment in Appleton, Ohio, 'We've never had problems with General Rubber's quality or service; they provide good service for our welder generator parts. We've worked with them for more than 30 years, and plan on doing business with them as long as they continue to be a good supplier to us.'

## **Always a silver lining**

Main concerns for most distributors are jobs moving offshore and customers getting product from Asia.

A sliver of a silver lining, according to Kacsur, is manufacturers establishing a presence, or affiliations in Asia, and then selling their product domestically through local distributors.

'This continues to develop as a trend, but I am by no means an expert on this kind of importing,' says Kacsur. 'We are developing our own contacts in Asia though, and are in the very early stages in some discussions. These opportunities have come up for us in just the last couple months.'

These Asian companies have no presence in the United States, and are looking for ways to enter into the market. The Internet usually serves as the initial contact point, with the companies coming across General Rubber's Web site and approaching Kacsur first through e-mail.

'One company, which had some representatives visiting Chicago, even came down to visit and take a meeting,' says Kacsur. 'We'd only been in talks, but they were eager and aggressive to get started in earnest.'

Why would this course of action represent a real opportunity for General Rubber?

Explains Kacsur, 'Hose and rubber products have been hugely impacted by the rise in prices of petroleum. With more than one increase per year lately, my customers have been asking me what other alternatives are available to them. As a supplier, I have to let them know who else is out there, and some of those options are overseas. This is mostly driven by the increases in oil.'

## **Listen, and then satisfy**

As for the Internet, in a capacity other than attracting overseas opportunities, Kacsur says that it has changed how General Rubber goes to market, as it has every other distributor, but it is not the end-all solution that it was once thought.

'Engineers can go to the Internet and find whatever they need,' he says, 'but in the end, those Internet searches take time, and the searchers may not be as familiar with the capabilities of a company that comes up in a search.'

While five years ago, coming up with 18 pages of search results were a boon, the huge results of a search are now too time consuming. The Internet's negatives are starting to emerge, says Kacsur.

'Obviously it has power and its place in the world,' he says, 'but it doesn't and won't replace basic business functions.'

And when it comes to those business functions, Kacsur follows a simple philosophy: be honest and operate with integrity. Kacsur tells his employees that above anything else, they need to be honest about themselves and their actions.

'You have to listen to your customer,' says Kacsur. 'Listen, and then satisfy the needs of your customer. This is a competitive industry. There is no lock on anything.'

### ***Company Snapshot***

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**Principal:** Jack Kacsur, president

**Headquarters:** Milwaukee

**Products:** Hose and accessories

**Branches:** 2 (Milwaukee and Appleton, Wisc.)

**Employees:** 10

**Web site:** [www.generalrubber.com](http://www.generalrubber.com)

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