

| READY AND STRONG |

Jay R. Smith Mfg. Co. — celebrating 85 years of industry leadership & commitment

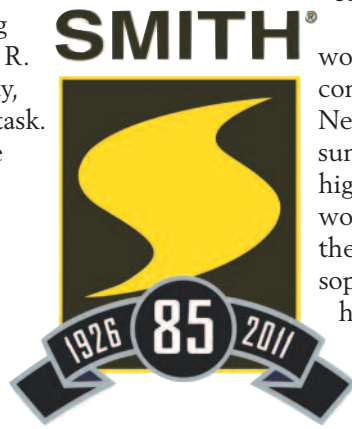
BY JOHN MESENBRINK EDITOR-IN-CHIEF

Eighty-five years is witness to A LOT of history, some of it coming with its share of uncertainty — The Great Depression, WWII, the Korean and Vietnam Wars, '70s OPEC, Reaganomics, No-Fly Zones, 9/11, the wars in Iraq and Afghanistan and the most recent economic turmoil. Yet, through it all, one thing has been certain — Jay R. Smith Mfg. Co. — ready, strong and staying the task.

Prospering under the fourth generation of Smith management, venerable Jay R. Smith Mfg. Co. has been developing innovative, engineered plumbing and drainage products for decades. 2011 marks 85 years of successful business for the company, and this prosperity is the direct result of its commitment to customers, representatives, vendors and employees.

Steve Chromey, executive vice president, Jay R. Smith Mfg. Co. and a 41-year veteran of the company, said, "I've seen our company grow over these many years and am humbled by the generosity of founder Jay L. Smith to his employees and that he allowed me

to help lead his company. It wasn't just a place to work; Jay made you feel part of the organization. I'm not only proud of our physical growth and growth in the industry but proud of seeing people grow, as well. I can look at supervisors who started as welders, clerks, etc., and now have leadership roles in our company."

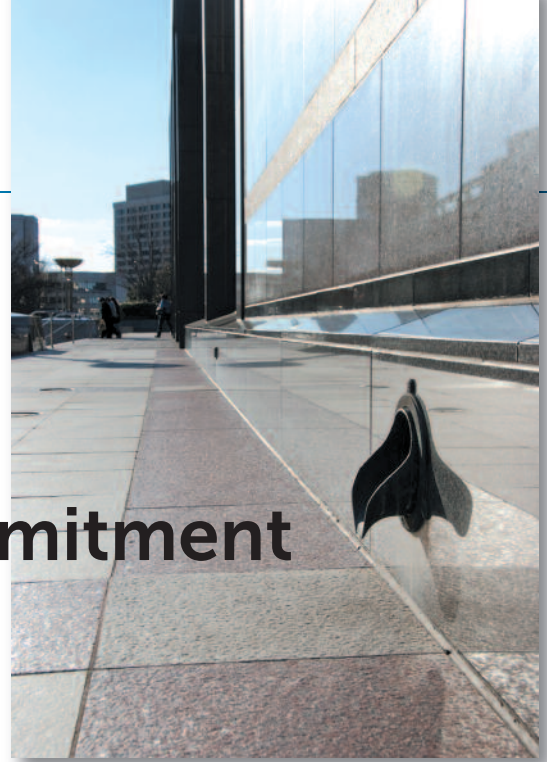


JAY R. SMITH MFG. CO.®
 PROVIDING SOLUTION BASED ENGINEERED PRODUCTS FOR 85 YEARS

Chromey actually worked for Smith when the company was still located in New Jersey. During the summers while he was in high school and college he worked in the plant and then, in the summer of his sophomore year in college, he was asked to fill in at the office. During his senior year, Jay L. Smith called and offered a full time

position upon graduation. "I liked the people and the company; I figured I could do it for a couple of years, live at home, save some money and then move on. Well, here I am 41 years later. I've been an order expeditor, order scheduler, credit manager, customer service supervisor, production and inventory control supervisor, materials manager, general manager and now in my current position of executive vice president....I guess they just can't find something I'm good at," Chromey said, jokingly.

Talking with Smith management and employees, you can sense an underlying theme of loyalty. "I was here when the doors opened [in Montgomery, Ala.] on January 2, 1979," says Jerry McDanal, vice president engineering for Jay R. Smith Mfg. Co. McDanal has held his position for 32+ years, ever since the plant moved from New Jersey to Alabama. "I first interviewed with Smith in October 1978. It is a special feeling to be part of and to have contributed to the growth and prosperity of Smith. It has been



gratifying to watch the younger employees grow and take responsible roles and become contributors to our growth. My initial thought was to work for Smith for about five years and return to the consulting engineering field. It did not take long working for Smith to realize that this is where I wanted to be; therefore, I made a commitment to Jay Smith, Steve Chromey and the company to remain a long-time employee."

Amazing in its own right, and a testament to the business philosophies of Jay R. Smith Mfg. Co., one-third of the personnel have held employment tenure for more than 25 years. "It's a real tribute to dad's [Jay L. Smith] leadership style. All ideas were frequently considered. He was a true role model," said Dr.



Jay Smith and Don Morris.

Holly Roth, secretary/board of directors and daughter of Jay L. Smith.

And while employee loyalty is held in high regard, Smith takes its customer service to another level. "The best part of my job is working with so many dedicated people who strive to do what it takes to do better and to address the needs of our customers and representatives. The energy and dedication of everyone here makes you feel that Jay R. Smith Mfg. Co. is one of the best at servicing the market, listening to customer needs and producing products that solve problems," said Charles White, vice president of



Jay L. Smith, a salesman for the National Lead Company, saw a need for brass and bronze specialties and started his business from his basement in 1926. He named the company Jay R. Smith Mfg. Co. after his son.

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branding campaign and new collateral for AcornVac to better position the company for sales and growth.

Loyalty, commitment, and

At top, a selection of floor drains and at bottom, just a sample of roof drains offered by Jay R. Smith Mfg. Co.

growth are all underlying factors in Jay R. Smith Mfg.

Co. reaching 85 years of industry leadership and positioning the company toward the 100 year milestone.

The Early Years

Based on the business principles of customer service and fairness, Jay L. Smith started the business out of his basement in 1926 and named the company Jay R. Smith Mfg. Co. after his son. Jay L. was a salesman for the National Lead Company and realized a need for brass and bronze specialties. By 1930, the brass fittings business was successful enough to justify bringing on its first employee, the 19-year-

marketing and 25 year Smith veteran.

Marketing, headquartered in Montgomery, is directly responsible for all marketing for the Acorn Family of Companies after a recent merger between Jay R. Smith Mfg. Co. and Acorn. One of the first collaborative marketing projects has been a recently launched, all-new

How J.R. Smith Mfg. Co. does it

Aside from the office, the Smith manufacturing facility is made up of receiving, shipping, warehousing, assembly, plating, polishing, enameling, painting, a machine shop, and a fabricating facility.

Millions of tons of finished cast iron, stainless steel, brass, nickel and steel products are shipped from the plant each month to a network of representatives, who warehouse these plumbing and drainage products for sale to local markets. Products in the Smith line include closet and lavatory supports, floor and roof drains, sanitary floor sinks, cleanouts and access covers, interceptors, hydrants, trench drains, water hammer arresters, trap primers and backwater valves.

Jay R. Smith Mfg. Co. is also able to create plumbing and drainage products to meet specific customer requirements, which are called Special Quote items. Along with Smith's "special quote" products, some of the specialty product lines available from Smith are:

- (1) the Smith/ACO Trench Drain Series (polymer concrete and fiberglass surface drainage systems);
- (2) the Enviro-Flo® Trench Drain Series (a polypropylene surface drainage system);
- (3) the Ultracept® Oil/Water Separator (separates oil, grease, and other hydrocarbons from wastewater);
- (4) the Labor Saver® Fixture Support (a one-piece rigid frame fixture support);
- (5) the Guardian Dual Check Hydrant (provide positive non-freeze protection with an integral vacuum breaker and dual check valve);
- (6) the Flood-Gate Automatic Backwater Valve (closes automatically when backup is detected in sanitary sewer line);
- (7) the Remediator® Grease Treatment System (designed to eradicate suspended fats, oils, and grease at the source) and
- (8) Rainwater Harvesting Systems (residential and commercial water preservation for potable and non-potable applications).

Jay R. Smith Mfg. Co. continues to expand its product offerings to meet the needs of today's changing construction demands, as well as expanding interaction methods to meet customer needs. In 2005, the company introduced JRS Products. This product line is designed for light commercial and design-build projects. The product group features roof drains, floor drains, cleanouts, sanitary floor sinks, hydrants, trap primers and interceptors. These products are offered in cast iron, plastic and polypropylene. Between 2007 and today, Smith has introduced rainwater harvesting products and green and cool roof drains.

To support their sales, marketing and engineering efforts, Smith maintains an extensive website to include technical data, submittals, pricing, literature and numerous other tools and resources. There are now more than 150 new BIM 3D family model objects for use by design professionals.

These objects, in concert with Autodesk's Revit® MEP, will allow users to integrate Smith's wide array of products into their virtual 3D project spaces. Through the advent of BIM technology, designers can work in a collaborative environment, making use of 3D models embedded with relevant and reliable design information. The Jay R. Smith Mfg. Co.'s 3D BIM models can be easily accessed at www.jrsmith.com. ●



Jay R. Smith's plant occupies a 33-acre site in Gunter Industrial Park and contains more than 250,000 sq ft of office, manufacturing, and warehouse capacity, with plans to expand 50,000+ sq. ft. later in 2011.

old Jay R.

In the 1930s, an expansion into marine products precipitated a move from New York to Newark, N.J. Although struggling through the Great Depression, the company did



John Roberts, vice president of domestic sales, and Charles White, vice president of marketing for Jay R. Smith Mfg. Co. and Acorn family of companies.

grow steadily. With the onset of WWII, the company shifted its regimen to wartime efforts and converted to defense materials production. Shortly thereafter, in 1942, founder Jay L. Smith passed away at the age of 77, leaving the business to his widow and his son, Jay R.

The company's targeted plumbing and drainage specialty market segment was met with a post-war industrial and domestic construction boom. Growth after WWII forced a

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A technician inspects a product using state-of-the-art equipment in Smith's test lab.

PLUMBING

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move to a new facility in Union, N.J., and later to Piscataway, N.J. In 1978, Jay R. Smith retired and the company moved to its present location in Montgomery. The plant is situated on a 33-acre site in Gunter Industrial Park; the plant contains over 250,000 square feet of office, manufacturing, and warehouse capacity, which, as a matter of fact, is expanding 50,000+ sq. ft. later this year.

Moving Forward

Through a series of bold business decisions and maneuvers, Smith has always stayed ahead of the game. One such maneuver took place last June when Jay R. Smith Mfg. Co., a division of Smith Industries, joined Acorn Family of Companies, making Acorn a 50% owner of Smith Industries. The vision of the new alliance of Acorn Family of Companies and Smith Industries was to create the foundation for an exceptionally strong company that will be competitively anchored in the industry.

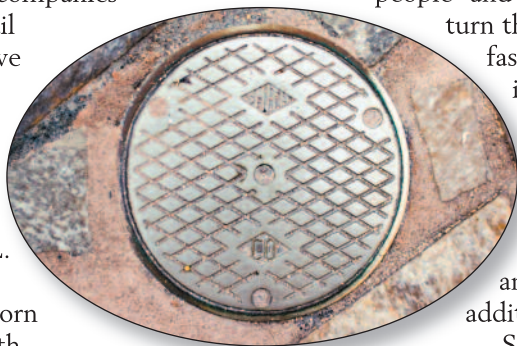
“The goal is to take the strength of Acorn and its engineering excellence and combine it with Smith’s customer service and industry relationship strengths and build a better company moving forward,” said John Roberts, vice president of domestic sales, Jay R. Smith Mfg. Co.

Mutual dedication between company and employee is unmatched with Smith, illustrated through its base of long-term employees. “The growth success relies on common vision, staying the task and reciprocating employee loyalty,” said Don Morris, CEO, Acorn Family of Companies.

“It’s a seasoned team put together with a new head coach; it’s business as usual,” says Morris.

Aligning with Acorn’s Family of Companies — strategic positioning in the marketplace

Although the companies didn’t merge until recently, they have had a long-standing relationship throughout the years. Jay R. Smith and Earl L. Morris (Elmco Sales Inc. and Acorn Engineering), both modern-day industry pioneers, each developed strong companies and were partners and friends from 1954, when Elmco became a Jay R.



A cleaout with the Acorn diamond.



Jay R. Smith’s family of products has expanded upon its alignment with Acorn Engineering.

Smith Mfg. Co. representative. The instant relationship and personal bond transcends three generations and continues with the Smith and Morris families. In the early days, Acorn was a manufacturer’s rep for Smith. Working off a standard representative contract, “We signed a 30-day contract that has lasted nearly 60 years,” said Don Morris.

Working together comes naturally for Smith and Acorn in all areas. The Elmco group, Acorn’s representative organization, is a huge distribution arm for Jay R. Smith Mfg. Co. The two companies also have 50 additional common reps besides the Elmco group. In addition to shared distribution, Smith and Acorn are working together operationally – “Smith has already started doing a bit of machine work for Acorn — they do plastic molding for us, we are doing some R&D on one of their products, and we will be jointly marketing another. We are complementing each other, and we will continue to do even more,” says Chromey.

Now this 85-year-old company has a chance to reinvigorate and reinvent itself with the recent 2010 alignment with Acorn.

“In the last seven years, Acorn has doubled its business,” said Jim Widmer, vice president of sales, Acorn Engineering. Logistically, the merger just made sense. With Acorn’s leadership, the alliance features state-of-the-art engineering, manufacturing, more of the “right people” and the ability to

turn things around faster. Distribution is now much greater with major points in Miami, Dallas, Los Angeles, Atlanta, Chicago and Union, N.J., in addition to 46 Smith Service Centers across the U.S.

The company offers the same outstanding quality in products and is able to remain competitive with its low-cost

opponents. The alliance has afforded the two companies more buying power and more resources to meet the demands in the market. The key, then, is to provide consistent product reliability and on-time distribution.

Also, Acorn’s successful alliance with Potter Roemer exemplified the



Jay R. Smith Mfg. Co. recognizes the value of green construction and offers a line of drains geared toward green roofs.

strength of Acorn, making Potter Roemer a leader in the industry. Potter Roemer, a subsidiary of Jay R. Smith Mfg. Co. since 1972, formed a partnership with Acorn Family of Companies in 2003, relocating to City of Industry, CA near the headquarters of Acorn. This partnership further demonstrated Acorn’s commitment to the industry and devotion to providing the best possible products and services.

Operating from its new 110,000-sq.-ft. headquarters and manufacturing facility, Potter Roemer remains dedicated to its core business of fire protection equipment, while changing dramatically from the company that was founded in the 1930s. Over the years, their product range has grown to cover a wide variety of fire protection equipment and accessories including fire extinguisher hose and valve cabinets, fire hose and accessories, fire

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extinguishers, fire department valves, connections, specialty equipment and a refined line of architectural products. Acorn's alliance with Potter Roemer, the Smith subsidiary, is just another example of the intertwined and fruitful Acorn and Smith history.

From 1954 to now, Acorn and Smith have had a past of successful relationships and the new alignment of companies will only help strengthen the position in the marketplace.

To the 100 Benchmark

Jay L. Smith, Don Morris and Don's brother, Dennis Morris, third



and second-generation sons of Jay R. and Earl, respectively, have continued their business and personal relationships for more than 50 years. The next generation of Smiths and Morrises (Jay L. Smith's daughters, Dr. Holly L. Roth and Debbie Smith; and Don Morris's children, Kristin Kahle, Randall Morris and Barrett Morris) pledge to continue what their grandfathers started. The Smith and Morris families will be represented on the new board of directors.

For the realignment, Don Morris assumes the role of CEO of Smith Industries, Jay R. Smith Mfg. Co. Division and the Canadian subsidiary. Jay L. will continue as president and chairman of the board of directors. The management teams of both Acorn Engineering and Jay R. Smith Mfg. Co. will remain the same.

"The partnership with the Acorn Family of Companies is the next great adventure. There is such great energy coming from the merger and from the leadership of Don Morris. I am excited and honored to be a part of it; this will make the Jay R. Smith

An employee assembles a product in one of Jay R. Smith's manufacturing cells. Employee loyalty is high, with 33% having been with the company more than 25 years.

Mfg. Co. even better; we are already seeing the changes," said White.

Still, to this day, the company remains a privately held business, and it plans to stay that way. "People ask me whether I would be willing to sell the company someday. To that I tell them, 'Drop off your business cards at my funeral,'" said Don Morris. "Privately held companies have much more loyalty from their employees," continued Morris.

Four generations of family ownership, a base of loyal employees, and a nationwide network of committed sales representatives and service centers have enabled Jay R. Smith Mfg. Co. to meet the demanding requirements of wholesalers, engineers, and contractors for 85 years. These attributes and the strength of the Acorn Family of Companies will lead Smith to the continued success of adhering to its mission: "To be the Company of Choice in the Specification Plumbing and Drainage Industry."

The new alignment in 2010 marked a milestone in the history of Smith and 2011 marks 85 years of prosperous business. Jay R. Smith Mfg. Co. is once again reinventing itself and is poised soon enough to celebrate a successful 100 years. ●