

INDUSTRY NEWS

Jay R. Smith Mfg. Co. at 75 years

3rd generation ownership, loyal rep network pay off for customers, employees

MONTGOMERY, ALA. — This month approximately 100 principals and former principals of manufacturers' representative agencies and their spouses will descend on Jay R. Smith Mfg. Co. headquarters here in celebration of the well-known manufacturer's 75th anniversary.

Prospering under the third generation of Smith family management, venerable Jay R. Smith Mfg. Co. has been developing innovative engineered plumbing products for decades.

It has grown from manufacturing a small selection of brass fittings on Manhattan's 94th St. in the 1920s to producing defense materials during World War II to engineering a state-of-the-art cleanout line in the 21st century.

The company's success has taken it up and out of its original basement shop in New York City to two locations in nearby New Jersey to its current 210,000-sq ft manufacturing plant and headquarters in the heart of Dixie.

Today Jay R. Smith Mfg. Co. is headed and owned by president Jay L. Smith, 61, grandson and namesake of the founder. Another grandson, Bruce Smith, 54, formerly vice-president for marketing, remains on the board of directors.

Their grandfather, Jay L. Smith, was a salesman for National Lead Co. who saw a growing demand for brass fittings.

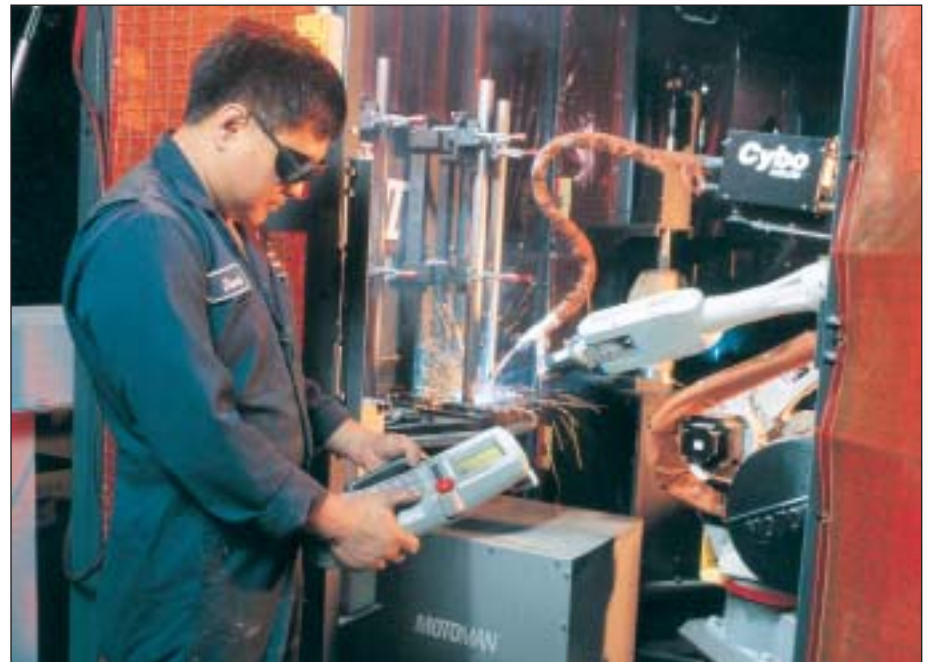
He set up a shop in a Manhattan basement, and in 1926 he formalized his little business, calling it Jay R. Smith Mfg. Co. for his son Jay R. Smith.

By 1930 the brass business was growing rapidly enough to justify the services of a full-time employee. That first employee was Jay L.'s 19-year-old son, Jay R. Smith, who had to give up his twin careers at the time — semi-pro baseball player and professional musician — to join his father in the brass fittings business. An old plant on Van Buren St. in Newark, N.J., was acquired in 1933 and operations were moved there from Manhattan.

Although the business wasn't exactly flourishing — this was, after all, during the Depression — it did grow doggedly and steadily through the 1930s. Then came World War II, and whatever equipment and machinery was available was converted for the production of defense materials.

But in 1942, with the war effort only months old, founder Jay L. Smith died at the age of 77, leaving his widow and son Jay R. to continue the business as a partnership. Company sales grew for the duration, yet there still were just eight employees at the war's end.

No sooner was peace achieved than the company began reaching for a share



Outsiders wouldn't believe how much technology is needed to compete in today's engineered plumbing and drainage products marketplace — not unless they toured Jay R. Smith Mfg. Co.'s headquarters and manufacturing plant in Montgomery, Ala. Robotics are extensively utilized in the production process. Here employee David Vinavong works with computer-guided equipment in fabricating a lavatory support.

of the impending industrial and domestic construction boom to meet pent up demand. The market they were targeting was the plumbing and drainage specialty field.

In no time it was clear that the limit-

ed facilities in Newark were inadequate, so in 1946 a move was made to a single-building location in Union, N.J. But before the equipment and machinery were even installed, the building was (Turn to Smith travels...page 58.)

Jay R. Smith: Leading an industry into modernity



Jay R. Smith steered his late father's modest brass fittings business into the burgeoning post-war plumbing and drainage products industry. Now 91 and retired, he sees his legacy enhanced as Jay R. Smith Mfg. Co. leads its sector into the 21st century.

MONTGOMERY, ALA. — For 36 years, from 1942 through 1978, Jay R. Smith Mfg. Co. was led by its namesake who was the son of its founder.

Jay R. Smith took the company through the wild World War II years, then seized on the entrepreneurial opportunities of the post-war period and grew the business in modern America's mid-century industrialism.

It was a period of tremendous growth and unprecedented change in the plumbing and drainage industry.

Today, retired and still vital, Jay R. Smith retains the title honorary chairman. He and his wife divide their time between homes in New Jersey and Florida.

When his father died, Jay R. wasn't at all prepared to run the business. But he did have some experience in the mechanical systems industry, which he recalled during a recent telephone interview from his home in Florida to company headquarters in Montgomery, Ala.

Jay R.: My father was very well acquainted with a big mechanical contractor, W.G. Cornell Co. So when I was

17 or 18 years old I got a job as a plumber's helper on the construction of the Empire State Building. Yet I've never been to the top of it, not even when I was working there.

THE WHOLESALER: How far up did you get?

Jay R.: I don't remember. You know there are so damn many floors there. We worked on different floors and, believe me, the helpers used to do an awfully lot of the work, mostly threading pipe because at that time they wouldn't allow copper tubing.

T.W.: When your dad passed away in 1942, how ready were you to run the company?

Jay R.: I'd never given it much thought because the business was so small and he had been paying me a very small salary. I was making a few bucks playing semi-pro baseball at the time and I also got a few dollars playing music — I was a lousy drummer. I mean a very few dollars. When I was thinking of getting married I went to him and said I'd like to get married, and he said, "What are you gonna live

on?" I said, "Maybe you could give me a little more money."

T.W.: How did the company become a supplier for the war effort?

Jay R.: I was 30 when President Roosevelt had the big [Selective Service lottery] drawing from a fish bowl. My number was the second one picked, so I went to the local draft office to ask for a few weeks delay so I could liquidate my business.

The woman in charge asked me what I did. I told her I had a couple of small machines, a couple of tool presses. She asked me, "Did you ever think that maybe you'd be more valuable for the war effort manufacturing than shouldering a rifle?" I told her I'd never thought of it that way.

She sent me over to the procurement division where a guy came out and asked me the same thing, about what kind of equipment I had. "We have a lot of little jobs that you could do," he said. He pulled out a blueprint.

I could make that, I said. "How soon can you do it?" he asks. How soon do (Turn to Jay R. Smith...page 60.)

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Smith travels from small N.Y. basement shop to 210,000-sq ft manufacturing plant in Dixie

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deemed too small for the rapidly growing business.

The company, which had to undertake five major expansions to its Union plant over the years, hired its first independent manufacturers' representative in 1947. Today the Jay R. Smith line is represented nationwide by a network of 64 rep agencies.

Independent reps always have been crucial to Jay R. Smith Mfg. Co.'s success. Recently the company decided to establish a manufacturers' representative advisory council.

"We talked about it, started it up, and I'm glad we did because it's working," says Jay L. Smith. "We meet twice a year. The feedback from our reps is positive."

In 1956 the company was incorporated under New Jersey laws as Jay R. Smith Mfg. Co., and in 1962 it moved into a facility it had constructed in New Market (now Piscataway), N.J.

That same year the company published its G-62 product line catalog — the birth of a pioneering catalog concept that the company today believes revolutionized plumbing and drainage manufacturers' approach to product literature in their industry. Before the end of the decade the company introduced "The Best Catalog," which continues today as "Smith Yellow Pages."

In 1963 Jay R. Smith Mfg. Co. set its course for the future when it purchased the patterns and rights to manufacture cleanouts and enamel floor drains from Acorn Engineering Co. This was a tremendously important broadening of its product line.

A year later the company expanded into Canada, establishing Rototech-Smith in Montreal, Que., which it later sold. In 1992 the company returned to Canada by forming Jay R. Smith Plumbing & Drainage Products Inc. in

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Toronto, Ont., as its marketing arm in that country.

Over the years the company has made several acquisitions and strategic alliances, most notably the addition in 1972 of Potter-Roemer Inc., a Southern California-based manufacturer of interior fire protection equipment.

Other acquisitions included Busch Code-Pruf Inc., a New York City-based specialty drain company that became a solid-surface products business; Robinson Foundry, a gray iron

foundry in Alexander City, Ala., and Precision Arc Co., a manufacturer of precision welding equipment and water hammer arresters.

In 1975 Jay R. Smith became chairman of the board and his eldest son Jay L. Smith, who had put in 20 years with the company beginning with his first summer job at age 15, was named president. Another son, Bruce Smith, had come to work at the family business several years earlier and was named vice-president for marketing. Both brothers are graduates of Hobart College in upstate New York's Finger Lakes region.

Jay R. Smith retired in December 1978 and less than one month later, on Jan. 2, 1979, his namesake company undertook the biggest move in its history, relocating to a 33-acre site in Montgomery, Ala. The plant, with 210,000-sq ft of manufacturing, warehouse and space, is situated in Gunter Industrial Park, formerly Gunter Air Force Base.

Now the company's sole owner, Jay L. Smith, 61, is a highly competitive

Products Mfg. Inc.

Recent years have seen a parade of innovative products introduced by Jay R. Smith Mfg. Co. It entered into a strategic alliance with ACO Polymer Products to distribute polymer concrete and fiberglass trench drains. This was followed by the development of Enviro-Flo trench drains.

Then came the company's revolutionary Remediator Grease Treatment System, followed by its Flood-Gate Automatic Backwater Valve and, last fall, a fully re-engineered 4000 Series Cleanout line.

"That cleanout was the single largest product change in our company's history," says marketing manager Charles S. White. "It's a huge product line that we started it from scratch."

Smith may be 75 years old, but it has created a real presence for itself in the "virtual" world of electronic publishing and the internet. Five years ago the company released its "Specify Smith" CD-ROM for submittals, and it went onto the internet with its first website. It then

Two things are clear: (1) he isn't interested in selling the company and (2) he is interested in buying companies.

individual, whether in his role as CEO or as a determined bicyclist who will be racing in his third Senior Olympics next month. He used to play semi-pro baseball (as his father did), then softball and basketball until suffering a serious knee injury.

Recalling the move South, Smith describes it as "a good venture."

"We had 32 families we brought with us from New Jersey and we hired 200 people here," he notes. "The plant was 160,000 sq ft then and we're at 200,000 now."

With Jay Smith at the helm and focused on operations, Bruce Smith spent much of his time out in the field and at industry functions, such as trade shows and gatherings of the Plumbing Manufacturers Institute and other organizations.

In the mid-1980s Smith Industries Inc. was created as a parent holding corporation with five operating divisions — Robinson Foundry (later sold); Potter-Roemer Inc.; Busch Code-Pruf Inc. (whose drainage products later were combined with Jay R. Smith Mfg.'s); Precision Arc Co. (later sold), and Jay R. Smith Mfg. Co. — and one subsidiary, Smith Data Systems Inc., a custom software business created by the company and later discontinued.

Since then, Potter-Roemer Division has acquired TriStar Skylights Inc., a manufacturer and distributor of skylights and smoke vents, and Fire

introduced its first catalog on CD-ROM, an electronic product catalog and price guide with submittals and CAD drawings titled "Virtual Yellow Pages."

Last year the website, www.jrsmith.com, was revamped to incorporate its new, interactive Virtual Yellow Pages, and this year the company is distributing its electronic catalog in the form of a fully updated CD-ROM.

Recalling the company's first edition of the Smith Yellow Pages engineered plumbing products catalog in 1969, Bruce Smith describes it as a major step forward by the company with the engineering community.

"As far as I can tell today, even electronically, Smith has some of the best engineering literature for our industry," he says.

President/ceo Jay Smith thoroughly enjoys the professional, and personal, relationships he has with employees, which is evidenced by an extremely low turnover rate.

"We just presented 74 people with savings bonds for perfect attendance, up from 62 last year," he enthuses. "Fred Murray, our top person, has received them 20 years in a row. Fred works in the shipping department where it's cold sometimes, yet he's always smiling. This program is good for our people."

Asked about the future of the company, Jay Smith is confident that Jay R. Smith Mfg. Co. will persevere as an independent



Third-generation owner of Jay R. Smith Mfg. Co. is Jay L. Smith, 61, a highly focused chief executive intent on maintaining his organization's prominence in the plumbing and drainage industry through product innovation, customer service and high manufacturing standards. As a competitor in the U.S. Senior Olympics, he's also one hard-charging bicyclist.

manufacturer despite consolidation and other movements in the industry. Two things are clear: (1) he isn't interested in selling the company and (2) he is interested in buying companies.

Says Bruce Smith: "We've been very successful and will continue to be successful because of our complete product line. It's not like the high-tech industry, in which anyone who wants to start something in his garage can probably create a company.

"We have an engineering section, product engineers, sales engineers and we have marketing. Those are key in coming up with new products.

"We came up with the Remediator, a product internal to the industry which has some external possibilities. It's a grease treatment system that uses genetically appropriate bacteria to digest grease. It's the application of new technology and an old line of thought."

The company introduced the Remediator four years ago at the American Society of Plumbing Engineers show in Phoenix.

"So," asserts Bruce Smith, "it's possible in the plumbing industry to take old needs and apply new technology to them and create new solutions."

Three generations of family ownership, free from the constraints and pressures of short-vision investors, coupled with 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 75 years by adhering to its mission:

"To be the company of choice in the Specification Plumbing and Drainage Industry."

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Jay R. Smith takes company ball, runs with it

(Continued from page 56.)

you want it? I said, "We want it yesterday," he says. Fine, I said.

So I got a little order and a six-month deferment. I guess that's how I stayed out of the war. I kept getting six-month deferments.

Gradually these little jobs became a little bigger until one day one of my friends sent me over to see the procurement guy at Kaiser shipbuilding. He had an order there for steel tanks that were to be welded to the bulkheads on Liberty ships.

I've forgotten how many of them they wanted but the whole contract was over a million dollars. I used to fight like hell for an order for a hundred dollars, and here's this guy talking about an order for a million bucks.

I got hold of a fellow in the steel business in Newark and he said, yeah, he could make them for us. So I told the guy at Kaiser that I could make them. I got the order, over a million bucks. Now I gotta finance.

I'd never borrowed a nickel in my life. I went to the local bank and showed them this contract for "high priority." He says that was what they were looking for. He said he wasn't doing me a favor but [rather] I was doing them a favor. I borrowed enough money to finance this job. I was honestly scared in the beginning because I'd just never gotten involved in anything like it.

We completed our deal, although even at this point we had only three people

"Did you ever think that maybe you'd be more valuable for the war effort manufacturing than shouldering a rifle?"

working for us. That was the extent of our organization — a girl in the office and two other fellows.

For the first shipment we had to go to the port of Richmond, Calif., on San Francisco Bay. A couple of the guys and myself went down and loaded a freight car, just the three of us.

Before we got halfway through the first contract, there comes another order, bigger than the first. No questions asked. That's how I got involved in that sort of thing. The war was a springboard for us.

T.W.: Was the post-war period a difficult adjustment for the company?

Jay R.: Very much so. Before we'd gotten halfway through the second contract the war was over and all contracts were canceled. They paid us for what we'd already put in, but beyond

that, nothing.

There was a lot of equipment suddenly available — big lathes and cutters and things of that sort. You could pick these things up for a song, so I bought a couple of big lathes.

In the meantime we moved our business to Union, N.J. We built a little plant and installed the lathes. I wondered what in the world we'd do with all that space. Well, we quickly outgrew it and eventually built new space in Piscataway, N.J.

I never realized how difficult it'd be to build a sales organization until I started to get into it.

Again, I often wondered what we'd do with all that space and, again, we outgrew it.

The last decision I made before I retired was to move everything to Montgomery, Ala.

T.W.: What was the post-war business climate like?

Jay R.: After the war we went back to making drains as well as some related items. But we were small potatoes in the industry.

It was difficult at first finding people to hire. Some guys came in and wanted to organize for a union. We defeated the organizing election, but just barely. This showed me that there must be something wrong. I was told that we weren't paying competitive wages and were getting the dregs of the labor market. So we raised the wages and got better people.

But we had a very short line and couldn't compete with the larger suppliers because we didn't have the necessary pattern equipment. Gradually, though, I'd make patterns and add to our line, one item at a time, until eventually I became a full line manufacturer.

T.W.: Going into the 1950s, which was a time of considerable prosperity for the U.S. economy, was the company buoyed along by that general prosperity?

Jay R.: Yes, but I didn't have any long range plan other than wanting to get to where I could compete with my major competitors at their level. It took a long time to do that.

I never realized how difficult it'd be to build a sales organization until I started to get into it. Believe me, it was tough. A manufacturer is no better than the people that represent him out in the field, and we had some real clunkers for a while, and we had some good ones, but they weren't interested in representing a short-line manufacturer.

T.W.: Tell us about your first sales rep.

Jay R.: In New York there were two guys who used to work for one of our major competitors, Zurn. They called themselves White and Graninger. Most of our business at the time was around metropolitan New York. We didn't fan out any further than that.

T.W.: In addition to Zurn, who were some of your other competitors?

Jay R.: Well there was an outfit by the name of Josam (*chuckles*). They were top dog at the time. But I must thank them because they approached sales and marketing at the engineers' level while I never gave the engineers much thought.

But then I realized that's how you get your name in front of the right people. So I began soliciting engineers and gradually I got mentioned in specifications. Nobody had ever heard of us before that.

T.W.: How did Acorn Engineering on the West Coast figure in your company's history?

Jay R.: Earl Morris, who started Acorn, was a Zurn rep. He came back East from Los Angeles. I had never met him before the day he came calling on me, but his reputation spoke for itself; he was a damn good salesman.

He came in and said to me, "I always thought you were an s.o.b." And I said, "I've always heard the same thing about you." The two of us sat there the whole afternoon going over things in general and we became good friends at that time.

He left Zurn and wanted to represent us with part of our line; he was making cleanouts on his own out on the West Coast. I had already tried that market and never got hold of anyone who was

worth a damn, so I said sure.

Earl began to represent me on several of our products and we started to get some business out there, primarily through his efforts. By then we had already figured things out a little bit.

T.W.: How do you like retirement?

Jay R.: To this day, I still miss my business. I loved my business. God, I'd get up early and just couldn't wait to go to work. That's the way I felt.

* * * *

Following the telephone interview, Jay R.'s son Bruce, who had been vice-president for marketing, commented on his father's vital role in the company's success.

"This company is manufacturing oriented," he said. "It has been manufacturing driven since Day One. You know why? You heard my father. He built the patterns. He found the sources. He went out and got the financing. He turned the lathes. He knew how to make them work. He knew how to turn that into successful sales.

"He was more mechanical than sales even though he never graduated from high school. He had the native instincts to succeed. He made more right decisions than wrong decisions. It was instinctive; it was from the gut because, A, he had to survive; B, he had to provide for his family, which included four children, and C, he loved to go to work. He saw in this, this love of getting up in the morning and going to work, as something bigger than himself.

"I remember as a kid going into the office a lot on Saturdays, riding in a pick-up truck and fooling around in the office, not knowing that this was a serious business taking place."



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