

# These American Standard® showrooms have profited by adhering to their roots



General Plumbing Supply, Inc., a family owned and operated distributor of plumbing, heating, air conditioning and commercial lighting equipment, was founded in Walnut Creek, California in 1965. At that time, owners Richard and Evelyn Amaro were servicing trade customers over a parts counter, supplying pipes and fittings. The next decade saw expansion for the business into the consumer segment with the opening of the company's first showroom. The majority of business immediately surrounding the store involved purchases for remodeling projects in the established communities in the East Bay region of San Francisco. Four-and-a-half decades later, the business model remains unchanged in terms of product sales for remodels versus new construction. This unwavering focus has worked to the company's great advantage throughout the years.

Having long established itself with contractors, designers and architects as the hub of plumbing supplies for remodeling projects in the area, General Plumbing Supply has grown into six plumbing supply branches, five of which house showrooms, around the Bay Area and throughout Northern California, collectively employing 130 people. While the building industry was nearly grinding to a halt over the past three years, General Plumbing Supply was staying the course, continuing to supply remodeling projects. But the economic downturn has definitely had an impact on the size and scope of remodeling projects throughout the area, as well as the types of products that sell, forcing General Plumbing Supply to reassess its inventory, which today consists of nearly 25 percent American Standard® products.

Learn more about the adjustments that showroom manager Steve Rice has made to meet the modified needs of their remodeling customers, while continuing to strive for growth and success.

*American Standard*  
Style That Works Better.

## Case study:

# General Plumbing Supply – The American Standard® Showrooms That Have Not Remodeled Their Plan

Since its humble beginnings, General Plumbing Supply, Inc., a company that has evolved from a single trade store to six full-service plumbing and electrical equipment supply branches with five showrooms in and around the San Francisco Bay Area, has been in the business of selling product primarily for remodeling projects. The family-owned business, launched by owners Richard Amaro, Sr. and Evelyn Amaro in 1965, opened its doors initially to industry trade customers who picked up orders from the parts counter of their Walnut Creek, California store, which today remains their headquarters. The company was founded and established on the sale of pipes and fittings. As business grew and penetrated the retail market in the 1970s, product sales supplying remodeling and renovation projects became the staple of the company's existence due to the limited new building potential in the region. This became the "modus operandi" of General Plumbing Supply, as they adhered to this business model reflecting the tried-and-true methods of operation that had brought success.



Today, business remains consistent, notwithstanding the housing slump, by virtue of the company staying true to its roots. Showroom manager Steve Rice acknowledges that while their business has fared better than most competitors in the area, who have been hit hard by the severe decline in new home construction, General Plumbing Supply has had to adjust its inventory to reflect economic conditions that have pushed consumers toward less expensive product for remodeling projects. The challenge Rice faced was that consumers with less disposable income were looking for value pricing in their purchases, while simultaneously, and without concession, demanding reliable service, durable quality, and distinctive style. Rice, intuitively acting on Napoleon Hill's quote that "every

adversity carries with it the seed of an equal or greater benefit," knew he must carry manufacturers with a broad range of product, such as those from American Standard, which would offer customers a high level of quality and style at affordable price points.

## More for less

Along with the decline in the real estate market, came a new attitude in American consumerism – demand more and pay less. "People are concerned about prices," says Rice, pointing out, "A lot of what we're selling now is lower priced items, compared with the high end sales of several years ago." Rice goes on to explain that the economic downturn has significantly reduced remodeling projects in the area, which has also impacted the types of products that General Plumbing Supply sells. Moreover, consumers are doing their homework, coming into the showrooms well equipped with knowledge of specific brands and styles, while keeping within their budget regarding product costs.



"Manufacturers such as American Standard understand today's consumers and are focusing more on new products that are in the low-to-mid-range price category," Rice explains, adding, "And when they release new products, it is geared toward this new consumer mindset."

Rice also cites American Standard, which makes up approximately one quarter of General Plumbing Supply's inventory, as one of the manufacturers they carry with a wide enough range of product to offer excellent selection

at varying price points. Of the five showrooms, the flagship Walnut Creek location is by far the busiest, having been established in the area for more than 40 years. Other locations in Northern California include American Canyon,

Auburn, Brentwood, Livermore, and Sonora, which are in comparatively smaller towns that command less traffic. Although all locations have felt the pinch of the housing market slowdown, Walnut Creek, nestled among the oldest and most established communities in the area, has fared the best, having kept to its advantageous position of primarily providing products for remodeling projects.

### Showing outside the box

Supplying mainly remodeling projects brings its own set of obstacles, to which Rice can attest. Competition from retail establishments and large chain stores presents a formidable challenge to General Plumbing Supply. To combat the competition and draw in customers who might otherwise opt to save money by visiting retailers and chains, General Plumbing Supply offers a mix of products generally sold only through manufacturer-authorized showrooms, such as the Jado® and Porcher® brands. “Our biggest competition is the ‘big-box stores’ and retailers,” Rice explains, pointing out that stocking inventory of more specialized product plays to General Plumbing Supply’s advantage.

With the shift to more practical products for remodeling and renovation projects, selection has become a key component of the success strategy for Rice and his team. The market in the Bay Area has a history of leaning toward traditional styles, according to Rice, but new trends are reflecting more transitional and contemporary influenced designs. To this end, American Standard’s impressive array of collections and individual category offerings gives Rice the tools to manage shifts in consumer preferences and market-dictated purchasing decisions. “We sell a lot from collections like Green Tea® and Town Square®, which give remodeling project customers the ability to pick and choose,” says Rice, referring to the 50-plus products that comprise each



collection and the coordinated pieces that fit together, stand alone, or mix-and-match. The showrooms have also found great success in the new American Standard and Porcher one-piece toilets, which they include in several showroom displays, for remodeling projects.

## Green regulations grand slam

With the 2010 California Green Building Standards Code (CALGREEN), the nation's first mandatory statewide standards code for green construction to protect the environment and fight climate change, taking effect January 1, 2011, Rice believes General Plumbing Supply is well prepared with American Standard products in its inventory. "With the big statewide push to conserve water, we've been supplying lots of projects with water-saving shower systems, faucets, and toilets from the wide selection of American Standard, Porcher and Jado products that meet



the criteria and deliver on style," he says. Specifically, Rice is referring to products that meet the EPA's WaterSense® certification standards, such as the plumbing fixtures in American Standard's water efficient FloWise® collection, and save thousands of gallons of water per year.

Additionally, Rice is anticipating approval of pending proposed legislation that will affect shower systems, potentially limiting consumers to a single showerhead. "This type

of new legislation could negatively impact our business, unless we're prepared with product that conforms to the new guidelines," Rice states, sharing his hope that the state will allow diverters as an alternative to the single showerhead, whereby consumers can toggle back and forth between applications, without simultaneous flow from both sources at the same time.

Rice and his team emphasize that American Standard technologies like FloWise, in addition to their adherence to the strict WaterSense certification requirements, illustrate that conservation does not mean sacrificing style. "Consumers in our area are very focused on water conservation," he says, adding, "They want nice looking products, but they want to be conservation-minded at the same time." He continues, "We offer customers attractive, contemporary designs like the WaterSense-certified Moments™ Faucet Collection and FloWise showerheads," explaining that they come on at a reduced flow rate. "We then show them that you can turn to a higher rate of flow, and a feature automatically reverts the showerhead back to water conservation mode for the next shower."

## Sticking to your roots

Growth is the objective of all companies in the business of making a profit. There is, however, no blueprint by which growth is achieved. Success is hinged on many variables that are influenced by a business's individual set of circumstances, among other factors. A hindrance for one business could prove to be an asset to another. General Plumbing Supply capitalized on the limited new construction in their surroundings and focused on the remodeling segment of the market,



which they were best suited to serve. If one proverbial lesson can be extracted from the case study of General Plumbing Supply, it is that business growth is a subjective notion. For this American Standard showroom group, it has meant, and continues to mean, remembering where they came from. French poet, playwright, and novelist Victor Hugo said, "Change your opinions, keep to your principles; change your leaves, keep intact your roots," words that will, no doubt, be passed down through the generations of the family-run General Plumbing Supply showroom group.

###

WaterSense® is a registered trademark of the U.S. Environmental Protection Agency.