



Global Professional Tools, Equipment and Safety Products for the Industrial, Construction, Safety and Automotive Aftermarket



Chris Baby - CEO

“No one goes further than SureWerx to unlock the productive potential for workers to safely execute their daily responsibilities.”- Chris Baby

SureWerx
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CEOCFO: Mr. Baby, you were JET Group, today you are SureWerx. You were President and today you are CEO. Would you tell us about the company today?

Mr. Baby: SureWerx is a leading supplier of professional tools, equipment and safety products in Canada, the US and around the globe. In tools and equipment, we market our products under a number of long-standing owned brands including: JET, Strongarm, ITC, STARTECH and American Forge & Foundry. In safety, we also market our products under long-standing owned brands including: Pioneer, Sellstrom, PeakWorks and Ranpro. SureWerx offers an unparalleled depth of product in our portfolio through an extremely broad network of partner distributors. We serve the industrial, construction and safety markets as well as the automotive aftermarket. That broad depth of owned brands is a significant differentiator to our competition. The way we view our business is that no one goes further than SureWerx to unlock the productive potential for workers to safely execute their daily responsibilities.

CEOCFO: Why did you make the name change?

Mr. Baby: To give a perspective on that, let me walk you back through the history of the company which actually started in the mid-fifties under the name JET Equipment & Tools. The company's origin was actually founded off the tool portfolio. It started in Vancouver, Canada and over the course of time it acquired a number of brands to complement the portfolio in the tool and equipment space. We were family owned and based out of Vancouver and in the late 2000's the decision was made to look deeper at how we ultimately engage with the users of our products. We were giving them the tools and equipment to perform their daily functions but we knew we were missing an opportunity and that there

was a need for also providing those very same professional users with their required safety products. We wanted to ensure that they would not only be productive in their workday but that they would also be safe and secure while performing that same work. Ultimately, we acquired two companies almost simultaneously that we ran separate from JET for about three years under the name Pioneer Protective Products. The family also owned an equipment company based out of Albany, New York called American Forge & Foundry. That was what I would call our toe in the water into the US marketplace on the tool and equipment side. Fast forward to late 2012 when all three companies were simultaneously acquired from the family by Penfund, a Private Equity group based out of Toronto. We immediately developed a global growth strategy which included integrating all three separate companies – JET Equipment & Tools, Pioneer Protective Products and American Forge & Foundry – into one collective and cohesive organization. We did that and came up with the name JET Group, which at the time I would say was probably more out of convenience than strategic thought. As we worked to develop a much deeper array of safety products for our portfolio, we started to quickly understand the potential of the global marketplace, especially in the US, of acquisitions that would present themselves. We ran into some trademark conflicts in the US and at the same time, our strategy included getting more intimate with the needs of the actual users of our products. We decided that we needed to articulate a clearer and stronger message to our customers and to the ultimate users of our products. We did a significant amount of work with end users and our distributors in Canada to look at our name and corporate identity, and how to tie together all of these brands that we have collectively in the tool, equipment and safety marketplace. At the same time, we felt the marketplace was rapidly changing from a digital perspective and we wanted to incorporate that into our process. We set up a two-track path to evaluate the corporate identity and the need for digital transformation and how we could tie these together with a view to relaunching and rebranding the organization. Hence the name SureWerx came about, through a variety of iterations, looking at all the above and choosing a name that speaks to who we are and what we do, and also speaks to the users of our products on the trust they feel with us.

CEOCFO: Is it typical for companies to get their tools and safety equipment from one company. Does it matter?

Mr. Baby: We think it does matter, so let me explain why. We partner with distributors who sell a variety of products to their customers, including our products, who in turn sell to the ultimate end users. One of the things we have come to learn is that we need to get much more intimate with the users of our products. That does not mean we are going to sell to the users direct, it just means we need to understand more intimately what drives their behaviours and what they like about dealing with a manufacturer such as ourselves. We have found out a few things that we think are interesting from the end users' perspective. Even though they typically will deal with a local distributor or a few local distributors, they feel that the more intimate relationship they have with the manufacturer – product knowledge, use of product, efficiencies, safety training and those types of things – the more comfortable they feel and the more effective they are in the work they do. We have seen a gap between manufacturers such as ourselves and the users of the products, and hence we can bring a consolidated product offering to those end users and a much more intimate relationship to support their needs. I would say this is evolving, especially with online access and the ability to

purchase products from different channels. The relationship has not gone away, it has actually gotten more important; and end users are also looking for ways to work with the manufacturer and not just the distributor. Our ability to supply the worker with the tools, equipment and safety products for the work they do to support their productivity and safety, in a complementary fashion, is a solution that virtually no other manufacturer can offer today in North America.

CEOCFO: *Why does a company want a SureWerx product?*

Mr. Baby: We want that company and their employees to have confidence in ensuring the products that they are using will meet not only their productive needs but their safety requirements at the same time. Our whole goal is that no-one goes further than SureWerx to keep workers productive and safe in their daily responsibilities. One of the things that we have done both in tools and equipment over time is to focus on product quality and consistency. Now as we consolidate the entire portfolio under the SureWerx name, we want the customer to understand and feel that confidence. We want them to trust that it does not matter which one of our brands or products they are using day in and day out, they will be able to add value to their organization and we can keep them safe at work and in whatever task that they are performing. SureWerx is many brands, many products and endless solutions, but all guaranteed and supported by one company.

CEOCFO: *Is there a greater interest in safety these days?*

Mr. Baby: Yes, there is a greater interest, especially in the developed world. As we get more sophisticated as a society, we look at our daily lives and one of the things that we have been increasingly focusing on over the last fifteen to twenty years is the health and safety of our workforces. No one should go home at the end of the day in a different condition than when they came to work. I think it is very societal but I think it is a great benefit of being part of the developed workforce around the globe. We are moving past only focusing on fatalities or serious injuries at work: we now don't want employees to get hurt, period, when they are at work. I think this is great, and shows that we truly care about each other as a society; and I think it is something that is going to continue to be under even more scrutiny moving forward. If we at SureWerx can do our part to support that, engage with it, and produce innovative solutions that do not limit the productivity of the worker, while still making the work place safer, then that is great for everybody.

CEOCFO: *Are there regulatory issues that you need to be aware of as you are producing safety equipment?*

Mr. Baby: There are definitely regulatory issues. Probably one of the more complex parts of the safety portfolio is that the regulatory requirements are not only federal but could be provincial, state, or local. It can get relatively complex. As a manufacturer and industry presence, we are all working, or attempting to work, collectively to try to get standards that are consistent across borders; but there is no doubt that this is difficult from a variety of perspectives. We need to make sure that all of our products meet the standards in the jurisdiction where we sell them. If we cannot, or have not developed products to the required standard, we will not sell the product in that particular jurisdiction.

CEOCFO: *What might be something on a local level?*

Mr. Baby: It could be that a local inspector from the Occupational Health and Safety organization interprets the laws slightly differently from another local jurisdiction in a different part of the country. We have

actually run into this before, where one jurisdiction interprets the same standards completely differently. It makes it complex not just for the manufacturer but for everybody when there are different interpretations. At the end of the day, the local jurisdiction obviously has the authority and the ability to interpret as they see fit and we need to make sure that the workers in that jurisdiction meet the necessary requirements.

CEOCFO: *As you move ahead do you envision additional acquisitions? Would it be actively looking or more opportunistic?*

Mr. Baby: Right now, we continue to look for acquisitions to round out the safety portfolio offering in particular. We have a relatively deep and extensive offering in the tool and equipment portfolio. The three acquisitions we made in the last eighteen months have been to help round out the safety portfolio. There are pieces of that portfolio that we still need to complement and to offer to both our distributor and end user customers, so I would say we are relatively aggressively looking for additional safety acquisitions to complement the current portfolio.

CEOCFO: *What do you look for in your customer service people?*

Mr. Baby: As we become more intimate with the end user and processes become increasingly digital, our customer service personnel become more problem solvers and solution providers as opposed to product sales associates. There is an evolution going on within our organization. We are not alone in looking at digital transformation; some other things are changing regarding access to products, and some of the information is now available via mobile or computer in real time. That is an evolution and we are going through it as well. It is one of the cultural changes that is shifting within our organization. We see it as very beneficial for our organization, our distributor partners, and our end user customers.

CEOCFO: *SureWerx was recognized as one of Canada's best-managed companies. What makes the difference in management and what might you change, as CEO, to make it better?*

Mr. Baby: Since we were bought by private equity and we put our strategy in place, which is a much more aggressive growth-driven strategy, one of the biggest challenges was getting the culture to understand, buy in, believe in the strategy and then being able to adapt to that fast-paced change. One of the things that I am most proud of as the leader of the organization is we were able to do that and within a three-year period get recognized as one of Canada's best managed companies. For me there is a variety of things but it starts with a clear strategy and vision. It takes constant communication and it is being able to engage with all employees in the organization. We all have different roles in the organization but we are all driving to the same goals and objectives. What would I do differently? I think a better alignment, maybe better communication, and more positive recognition of some of our achievements. I think as leaders of organizations, we quickly can move on from one win to the next without celebrating. We sometimes forget to sit back and recognize how far we have come and how much sweat and tears have been put into the projects we have executed. That is probably something that as a leader that I wanted to continue to focus on and sit back, recognize and celebrate and then move forward.

CEOCFO: *How do you handle the challenge of a company with so many moving parts?*

Mr. Baby: The important thing is having the right leadership in the right respective areas of the company. There are a tremendous number of

moving parts but the key is keeping everybody motivated and eliminating the non-productive things that we do day in and day out so that we can focus on the drivers of our business moving forward. I stay engaged and in touch with all aspects of the business but at the same time, I try to allow my management team to run their respective teams. That being said, it is critically important that we do not have silos in the organization so we try to do as much cross-functional work as we can. Whether it is operations, sales, IT/digital, administration, finance, product management, supply chain or marketing, we all need to work together towards our common goals. As a leader, for me it is about ensuring that we are all working collectively together and at the same time, that each part of the organization is given the autonomy to allow them to execute in their respective areas of responsibility. If there are hurdles, which there always will be, we can remove them by working together. It is all about daily problem solving but we want to have a little fun while doing it at the same time. It has been an exciting few years since our change in ownership and now we are looking forward to the next three to five years as we continue to drive our strategy forward.

Interview conducted by: Lynn Fosse, Senior Editor, CEOCFO Magazine

