

BALLISTICS EXPERTS

NATIONWIDE MAJORS IN NAIL GUN SCIENCE

If you are going to hitch your wagon to the residential market, it helps to be in a strong market. Although metro Houston has ridden raucous waves of economic and oil industry boom and bust, the city has proven to be exceptionally resilient.

Once exclusively an oil town, Houston has since diversified and now serves as home for numerous industries including healthcare and biotech, computers, aerospace and, of course, the oil business. Only New York City boasts more Fortune 500 company headquarters than Houston, which, with more than 5 million residents, is the nation's fourth largest city. Houston perennially ranks in the top U.S. cities for wages and job growth.

With those jobs and wages come homes and apartments.

Numerous distributors, both large and small, legitimate and otherwise, serve this vibrant metro market. Many specialize in servicing and supplying large concrete projects and contractors, while others, like Nationwide Tools & Supplies, focus on the residential and commercial markets.

Nationwide itself grew out of another company, which specialized in building wooden crates for shipping heavy oil rig equipment all over the world. That firm still exists but is dwarfed by Nationwide in both revenues and employees.

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“RESEARCHING PRODUCT PERFORMANCE IS NOT ONLY VERY INTRIGUING, BUT IT IS ALSO WHERE YOU CAN TAKE A PRODUCT AND MAKE IT BETTER FOR YOUR TEAM, WHICH ALSO HELPS SET YOU APART FROM YOUR COMPETITORS.”

EMMETT DOHERTY, OWNER AND VICE PRESIDENT

PHOTOS: MATTHEW ROOD

Originally trained as a geologist, second-generation Nationwide Tools & Supplies owner and vice president Emmett Doherty has made a science of pneumatic tool design, to the benefit of his customers and his company.



Nationwide has been doing pneumatic repairs for customers for decades, often with privately-sourced-high-performance repair parts. Left: Repair tech Travis Brown works on a nail gun. Below: Purchasing manager and co-owner Charles Hillegeist shops the world for top-quality brands.



“WE HAVE HIGH-QUALITY FASTENER BRANDS, GOOD PACKAGING AND EXCELLENT PRICES BECAUSE WE ALWAYS TRY TO BUY SMART.”

CHARLES HILLEGEIST, PURCHASING MANAGER

“When the oil business collapsed in 1983, we could have just reduced our payroll and gone on in the crating business as a smaller company,” explains Emmett Doherty, vice president and second-generation owner of the company. “But we looked at our fastener supplier and saw that he was doing pretty well. We had a contact overseas so we ordered two containers of fasteners and decided to open a division to sell collated gun nails and packaged bulk nails to lumber yards. That is how we got started.”

Competitive margin headwinds in the lumberyard market quickly led Nationwide to add contractors to its customer base and the company took off, tripling in size in just 30 months. Nationwide has never looked back.

INQUIRING MINDS

However, company founder Raymond Doherty and his son, Emmett, knew that in their fiercely competitive market, they would need more than just fastener sales to prosper. This included tool repair, which required parts inventories.

“You can’t sell fasteners without doing gun repairs,” Doherty says. “The only way a machine runs is if it is properly maintained. You have to have the parts in stock and you have to know how to fix it. We made it a point to learn our machines.”

But the young company hit another wall, trying to buy repair parts.

“Back in 1986, you had to be a licensed distributor with an assigned territory; the manufacturers would not sell to just anybody. If you needed a part for one of those branded tools but you weren’t one of their licensed distributors, you would be stopped at the gate. So we began sourcing our own parts.”

This obstacle turned into a lifelong study. A degreed geologist, Emmett Doherty dove into pneumatic tool mechanics, design and metallurgy. Soon Nationwide was specifying its own pistons, gaskets, driver blades and other parts and building them into tools that came in for repair. Doherty worked with aerospace machining shops in Arizona and other states to develop repair parts

that outperformed those in the original tools. Customers came to appreciate the fastener savings and trust Nationwide’s ability to service their tools; as a result, Nationwide’s customer base grew.

“We still do some sourcing today because we can get better quality from parts, such as U.S.-made ribbon springs, than we can from the OEM, whose parts are many times made in Taiwan,” Doherty says.

Access to certain types of fasteners was difficult for the same reason.

“The Duo-Fast zero-degree coil nail was the king of the road back then, but again, you had to be an authorized Duo-Fast distributor to sell it,” Doherty says. “My dad and I would go to the Rice University library at nights and research patents. We wanted to learn when Duo-Fast’s patent would expire so we could begin sourcing our own coil nails. That research finally ended when Beck came out with their version and we were able to begin selling it.”

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Left: Lead repair technician Bernardo Garcia has been with Nationwide for over 23 years. Below: Eric Moody brought his 2011 degree in industrial distribution from Texas A&M to Nationwide.



"I THINK THE STRONGEST VALUE AND GREATEST STRENGTH THIS COMPANY BRINGS TO THE MARKET IS THE ETHICS OF THE OWNERS THEMSELVES."

ERIC MOODY, REGIONAL SALES AND OPERATIONS MANAGER

Beck remains one of Nationwide's top fastener brands today, along with Senco, Fanaco, Hitachi, Axxis, Grip-Rite, Spotnails, their private-label and others. Top guns include Hitachi, MAX, Fasco Beck, PneuTools, Aeropro, Bostitch, Senco, Cadex and Paslode to name a few.

"It took me probably 10 years to learn pneumatic tools," he says. "Today, you can walk through one STAFDA show and gain knowledge that took me a decade to learn."

Still, the scientific mind refuses to rest, so Doherty and his team in Houston, which includes another geologist and an engineer, continue to explore tool and fastener design.

"Researching product performance, whether it be on a tool or a fastener, is not only very intriguing, but it is also where you can take a product and make it better for your team, which helps set you apart from your competitors," Doherty says.

"For me, the research is really the fun part of the business. The merchant part is just selling, but if you do your research and study the tools

and the fasteners, you're not being flat-footed. You're being proactive and figuring out how to make things better rather than just going out there selling stuff."

And in Houston's fierce marketplace, just selling stuff at a decent profit margin is difficult enough. It is further compounded by a problem found in large cities and port or border markets — pickup-truck "renegade" sellers who deal in cash and don't pay taxes.

"Being in a port city where containers land all the time, we have a lot of 'independent' people who sell fasteners and tools to job sites," Doherty notes. "These folks don't have a shingle, they don't have a cash register and they don't pay taxes. They will go out to a site and sell a box of nails for maybe \$26, 'tax included.' But they pocket that 8.25 percent that is supposed to go for taxes, go home and turn around and do it again the next day. They hurt everyone's margins."

Nationwide does battle with price-cutting renegades every day in addition to competing with large,

well-established traditional distributorships. This is yet another reason why Doherty and his team focus on a superior-service model and in-depth tool research. Larger contractors, Doherty says, know the game and will only work with bona fide distributors, but renegades still skim dollars away from honest businesses.

Charles Hillegeist, Nationwide's purchasing manager and co-owner, focuses primarily on researching new tools and applications for customers. A 23-year veteran of the company, he joined Nationwide in 1994.

Most of the company's purchasing is done in Houston and then trucked or drop shipped to the three other branches. Hillegeist must monitor inventory levels for all four stores and use every tool available to buy at the best possible price.

"I mainly buy collated nails and bring them in from all over the world — PrimeSource, Grip-Rite, Hitachi. Mid Continent makes nails here in the United States and we use Axxis to make our private-label staples for

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Inside and counter sales specialist Javier Lopez has been behind the counter for six years and has been in the business for 16. Customers frequently ask for him by name.

us," Hillegeist explains.

"It's a very price-driven market down here. The 3-by-0.12-inch plastic-strip nail goes into all the homes here, so it is the loss leader. We have high-quality fastener brands, good packaging and excellent prices because we always try to buy smart. We're a full-line Hitachi dealer, so I buy a lot of Hitachi and I support their container program, too. We buy a lot containers and several Sphere 1 vendors have programs for us as a member, too. It all helps."

LOOKING UP AND OUT

Strong, ethical corporate leadership also helps; Emmett Doherty credits his father's professional integrity the company's growth.

"I've always stressed honesty at all levels in the company," Doherty says. "You repair a gun like it is your gun. You treat the customer like you're on the other side of the counter. Inevitably, if you are honest and treat people the way you want to be treated, you're going to grow."

As he ponders future branches, Doherty faces the universal challenge

of finding dedicated, intelligent and energetic young people who want careers, not just jobs.

"It is very difficult to find young people who have the right work ethic and want to learn the industry and grow into it," he says. "We have stumbled a few times because the work ethic was not there. This business takes dedication and focus."

The youngest member of the Nationwide management team, Eric Moody, has been with the company for just two years. A 2011 Texas A&M engineering graduate with construction sales experience and a degree in industrial distribution, Eric is now the company's regional sales and operations manager. He works with the company's five outside salespeople and helps run the Houston store.

"I think the strongest value and greatest strength this company brings to the market is the ethics of the owners themselves," Moody says. "It is inspiring for me to see Emmett always, without fail, do the honest, morally right and ethical thing for customers, to the point of sometimes issuing credits or replacing tools that we don't need to just to maintain their goodwill."

"This company was built on superior service," Moody continues. "If one of our customers needs a product that we've never stocked, we'll make

the calls, do the research and find a way to get it for them. When a customer needed some tools repaired overnight so he could complete a job the next morning, I stopped by their shop on my way home from work and spent two hours repairing their nail guns. We're not going to undercut our prices. We're going to be at market value, but we are going to out-service all our competitors. That's our goal." **CS**

NATIONWIDE TOOLS & SUPPLIES AT A GLANCE

FOUNDED: 1984

OWNERSHIP: Privately held

HEADQUARTERS: Houston, Texas

BRANCHES: College Station, Corpus Christi, Houston and McAllen, Texas

STAFF: 21, including five outside sales staff

MARKETS: Residential construction, industrial crating, commercial manufacturing



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