



MASTERS OF

W.P. & R.S.

With a Five-Step Process for Customer Supply Chains – and a Newly Acquired Company – W.P. & R.S. Mars Co. Builds on 90 Years of Success

BY PATRICK LAPINSKI

Brothers Bob and Bruce Mars have a vision – and they're eager and excited to talk about the direction in which the W.P. & R.S. Mars Co. is heading.

Bob, president since 1989 (and great-grandson of founder William Mars), and Bruce, vice president, want to debunk any local misconception that the company is strictly a distributor to the mining and timber industries – although most certainly, they're proud of the company's early history and those industries are still very valuable markets. Bob, the fourth generation of his family to lead the business, explained that during the past decade or so the company has transformed into a much different enterprise. Not only do the great majority of its revenues come from a wide variety of markets, but changes in the way customers depend on Mars Co. have led to more sustainable growth as well.



W.P. & R.S. Mars Co. – Duluth location.

SUPPLY

Mars Co.



Foreground: Co-owner and Vice President Bruce Mars.
Background: Customer Service/Belting Specialist Bill Davern

Helping customers design more efficient methods for managing the supplies they use in their operations is one of the value-added services Mars Co. provides that has led to significant growth in recent years. Bob described the seemingly insignificant area of "indirect supplies" (such as gloves, safety goggles, ear protection, hardhats, hand tools and cutting tools) as relatively inexpensive items that can create a lot of hassles and wasted dollars for companies if they aren't managed closely.

Mars Co. has developed a five-step process to help customers streamline their supply chain. "These days, the companies that are trying to run as lean and as efficiently as possible have found that focusing on this aspect of the business can bring significant savings," Bob said. "We've been doing this for a while and our customers seem to appreciate the collaborative nature of our process. We custom design each program, depending on the customer's priorities." He noted that services such as "installing vending machines inside customer operations is becoming a very popular method for controlling the spending on indirect supplies."

Depending on the size of the machine and the items being vended, these machines can hold anywhere from 500 to 2,000 items, and there's software in the vending machine that allows management to track who checked an item out and what job it's being used for. A team of Mars Co. vending specialists replenishes the machines on a weekly basis.

There are additional benefits beyond helping customers control their expenditures. "It also gives users close

proximity to the supplies they need, since the machines are placed strategically near the point of use - which cuts way back on the need for long walks to a central tool crib or emergency deliveries from a supplier's warehouse," said Bob.

The Mars Co.'s Supply Management Solutions group (SMS) oversees the vending programs, which is the fastest growing segment of the business. "SMS programs entail solutions from small barcode/keep-fill arrangements to installing multiple



Prescott & Mars Co., Virginia, Minn., circa 1893. Standing in the doorway is W.P. Mars.

As early as the 1890s, William P. Mars and his wife entered the iron mining areas of the Mesabi Iron Range on horseback, distributing supplies and building a solid customer base in communities we know today.



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5	6	7	8	9	10	11
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February

MARS CO.

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March

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LOCTIT

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PHOTO COURTESY OF MARS CO.

W.P. & R.S. Mars Co. staff at the Bloomington, Minn., location. Left to right: Executive Vice President Rick Palmer, President Bob Mars, Human Resources Manager Casey Mars, Associate Project Manager Ellen Pannkuk, Vice President-Supply Management Solutions Steve Meacham.

industrial vending machines at customers' facilities," Bob said. In some situations, Mars Co. has full-time employees officing inside customer plants to process orders, manage inventory or source products for immediate needs.

Local inventory has been a Mars Co. trademark since its inception. As early as the 1890s, William P. Mars and his wife entered the iron mining areas of the Mesabi Iron Range on horseback, distributing supplies and building a solid customer base in communities we know today. The business grew from its infancy in the latter years of the 19th century before being officially formed by William and his son Robert Sumner Mars (R.S.) in 1924. "W.P. and I were pals back when he was in his 90s and I was about 6 years old" said Bob. "That friendship has always been an inspiration to me to take good care of what he started."

Mars Co.'s first year of operation in 1924 brought \$134,000 in sales. Following World War II, the company posted \$998,000 in sales in 1946. The period after that war was a time of even bigger expansion and growth for the company. Exciting times were on their way, and little did company leaders know that by 2013 they'd have 125 employees and be doing more than \$50 million in business. Mars Co. celebrates its 90th anniversary this year.

Today the company carries a very diverse mix of products, including cutting tools, abrasives, precision measuring tools and gas detection monitors. But this is not your regular warehouse. Mars Co. is a distributor of heavy-duty professional tools and equipment manufactured by leaders in the industry, such as 3M, Goodyear, Honeywell and Henkel-Loctite. And yes, you can still get your



everyday hand and power tools, custom cut and coupled hose, or choose from an assortment of more than 500 styles of work gloves ("from snake-bite kits to height gauges," quips the company's promotional materials).

On the other end of the business spectrum, the massive undertaking by mining companies to process iron ore pellets from dense taconite rock found on the Iron Range created a different sort of opportunity for the company.

Using conveyor belting to move rock, ore concentrate and taconite pellets became increasingly popular, explained Bruce Mars. In 1951, Mars Co. became the area's exclusive dealer of conveyor belting for the Goodyear Tire & Rubber Co. And for more than 60 years, it's been one of the most trusted suppliers of conveyor belting in Northern Minnesota, the Upper Peninsula of Michigan and North Dakota.

As belt sales grew, Bob and Bruce's father and uncle (Bob Mars Jr. and Bill Mars) decided to open a belt service center. Conveyor Belt Service Inc. (CBS) was founded in 1953 as a wholly owned subsidiary of the Mars Co. and located in Virginia, Minn. CBS's core mission has been to provide belt installation, splicing and repair services to conveyor users across the Upper Midwest. The business focuses on Iron Range taconite processing plants, railroad dock terminals and self-unloading cargo vessels that ply the Great Lakes. Other markets served by CBS include paper mills, board/siding plants, power generation facilities and local sand and gravel operators.

Today, CBS is headed by Bruce Mars and General Manager Joe Anderson. CBS currently employs 25 Millwright Union belt technicians. Bruce said he's lucky to have such a great team. "Our work is very physically demanding and safety sensitive," he explained. "Safety is our



Shipping Manager Lyndon Smith

The level of customer service from Mars/CBS is one of the benchmarks of the industry, since the company adds value through sales and support people.

number-one priority, followed by doing excellent work for our customers.”

Although much of CBS’s work is done at the customer’s location, there’s still much to do in the company’s 36,000-square-foot belt shop in Virginia. Shop work, as it’s called, involves fabricating rubber sheeting and processing Goodyear conveyor belt orders. Winter months are exceptionally busy for field work. When the Great Lakes shipping season goes idle, the big boats lay up at a dock or shipyard

for maintenance work. This season provides a perfect opportunity for service work on the vessels’ conveyor belts. CBS has earned a strong reputation across the Great Lakes and has crews this winter at shipyards and dock facilities in Erie, Pa., Sturgeon Bay and Milwaukee, Wis., and Duluth/Superior.

The combination of Goodyear conveyor belting sales and CBS services has resulted in a lot of activity over the past several decades for Mars Co. and its customers. “Being able to offer a high quality belt at a competitive price, install it and repair it, if need be, is a nice package to offer our customers,” said Bruce. This business segment has developed into one that is very important to the company’s well-being.

Mention of the W.P & R.S. Mars Co. would not be complete without noting two of its greatest contributors. Bob Mars Jr. and his brother Bill ran the business for 40 years. After Bill passed away in the early 1980s, Bob Jr. continued with the business. Today, he still comes to work daily for several hours. And although his involvement with the company has subsided, he’s still a positive influence at the Duluth branch.

Mars Co. is also known for its commitment to the community. Bruce Mars said he is very proud of the employees’ longtime, generous support of the United Way of Greater Duluth.

Financial Controller Beth Ahrens knew Mars Co. was a special company when she applied for work there. In fact, she wasn’t even looking for work until she heard about an opening. “I was intrigued, because the Mars Co. is very well known as far as being a really good company,” she recalled. Ahrens’ first experience with the company occurred at a chamber of commerce function where Bob Mars Jr. spoke. “I just admired what he had to say and his knowledge of business and his love for community,” she said.

“The Mars Co. feels that their biggest assets, their most important assets, are the employees,” Ahrens stated emphatically. “I enjoy working with all of the employees and the Mars family ... and their loyalty to the



communities they do business in is awesome."

Ahrens works in the Duluth office with 14 others. Her team members are well trained for their jobs and many have lengthy careers there. "We love to be problem solvers for our customers," she said. "For instance, one of the things that's unique about the Mars Co. is we do a lot of custom invoicing. We give our customers what they want, in the format they want it, which they really seem to appreciate."

Those customers include foundries, machine shops, large and small manufacturers, utilities, municipalities, construction companies, railroads, paper mills and medical device manufacturers. To better serve customers, Mars Co. has branches in Duluth, Hibbing and two in the Twin Cities.

Since he joined the firm as a warehouseman in 1976, Executive Vice President Rick Palmer, a Proctor native, has worked his way up the company ladder wearing many different hats. Rick's last name isn't Mars, but he said there was somewhat of an unwritten rule on how to get a job at the company - and fortunately, he fits one of the legendary categories.

Bruce Mars said he is very proud of the employees' longtime, generous support of the United Way.

"You had to either be a hockey player or you had to be an Eagle Scout," Palmer joked. He found this out when he saw the Duluth employment counselor's reaction to the Eagle Scout reference on his resume. "He pulled a

The next day Palmer went to Mars Co., to chat with Bob Mars "and the first words out of Bob's mouth were, 'I see you're an Eagle Scout,'" said Palmer. "The rest is history."

A key component of company culture is a commitment to support staff. Although its e-commerce business is growing every year, the service and expertise that sales and customer service people provide is really vital to the Mars Co.'s success. Providing local expertise and inventory, along with maintaining many long-term relationships with customers, has kept business strong as national competitors have moved into the area.

"Our field salespeople are trained to provide on-the-spot value for their customers, whether it be product demos, providing samples or bringing product experts with them on the call," Bob explained. "All

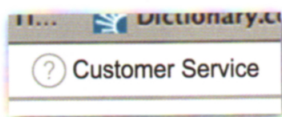
our guys carry iPads so they can help customers build a favorites list, place an order on the spot, show them YouTube videos of how our products might save them some money, or view suppliers' catalogs online."



Customer Service Manager Amy McGrath (seated) and Controller Beth Ahrens.

little recipe card box down from a shelf ... and pulled out a card and he got on the phone and said, 'Bob, this is Jim down at the employment center. I think I got a young guy you might want to talk to.'"

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Lyndon Smith uses a hydraulic crimping machine to attach a hose fitting. As a Goodyear hose distributor, Mars Co. constructs hose assemblies, cutting hose to customers' specifications and applying fittings to hose ends.

And customers appreciate receiving the value that the Mars Co. delivers.

ME Elecmetal has been a customer for more than 25 years. "During that time, our steel foundry has seen major changes in the storage and distribution

of industrial safety supplies," said Human Resource Manager Mark Pendleton. "One major improvement at our foundry was the introduction of the Robo Crib 1000 ... a self-serve vending machine for our safety supplies. The Robo Cribs track our safety supply usage by department and employee, involving nearly 400 different safety products. The cost-efficient distribution of safety supplies has never been easier."

"Over the years, Mars [Co.] has become a worthwhile partner by tailoring its supply chain management solutions to our everyday needs," said Purchasing Manager Curt Dimberio of Moline Machinery in Duluth. "I have had a lot of experience working with Mars on and off the shop floor here at Moline - very easy to do business with. It's a pleasure to work with a dependable, local company."

One of Mars Co.'s suppliers, Northern Business

Products, has worked with the company for more than 20 years. "They've been a very good customer with us over the years - very easy to deal with and very loyal and community based," said owner Mike Farrell. "I think they like to do business in the communities where they're located and they want to support the local initiatives."

Acquiring products that customers want continues to fuel growth. In



Accounts Payable Manager Lisa Seboe (left) and Accounting Assistant Cathy Grover.

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a move that turned a lot of heads in the industrial supply business, last fall the company acquired the assets of the iconic, Twin Cities-based Walter R. Hammond Co., now a division of Mars Co. The Hammond Co. specializes in cutting tools and has a customer base in Minnesota and western Wisconsin of more than 1,300 machine shops. The Mars-Hammond combination greatly strengthens Mars' cutting tool offering and provides additional products and services that will benefit Hammond's customers.




Conveyor Belt Service, a Mars Co. subsidiary in Virginia, Minn., is a key supplier to the iron mining industry.

The Mars Co.'s future – as always – will have a laser-like focus on customer service.

"Our most recent advancement is a cloud-based app that allows us to document any savings we earn for a customer," Bob Mars said. "The customer

can log on to it 24/7 to make sure we're doing a good job for them."

Maybe it's time to see what the W.P. & R.S. Mars Co. can do for your business. 

► Patrick Lapinski is a freelance writer and a native of Superior, Wis.



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