



Recent projects that illustrate how Grunau Company brings value to customers include work done for Northwestern Mutual.

PHOTO: NORTHWESTERN MUTUAL

Relationship Oriented

Understanding a customer's business is where the Grunau Company excels. 'There is going to continue to be a movement toward design/build and single-source responsibility,' says President Paul Grunau.

By LISA R. BROWN

Since President Paul Grunau joined the Grunau Company in 1990, his focus has been to find opportunities where the Grunau team could sell on a basis other than price.

Oak Creek, Wis.-based Grunau Company designs, installs and services mechanical systems for HVAC, plumbing, fire protection and specialized electrical systems. The company is also active in specialty metal fabrication under the name Grunau Metals.

Grunau says the company refocused its business strategy in recent years to concentrate on building long-term relationships with customers. The goal is to truly understand a customer's business, and to get involved earlier in a project's development process. "One of the things we've integrated into our company is the belief that we should run our business with an orientation toward building high trust relationships. We believe they will produce opportunities for us," Grunau says.

Grunau Company

www.grunau.com

2003 Sales: More than \$70 million

HQ: Oak Creek, Wis.

Employees: 400

Service: Mechanical systems

Paul Grunau, president: "The key is to find opportunities where you can provide value."

"If you have a relationship focus and a team that understands the importance of maintaining those relationships, you will succeed."

Paul J. Grunau established Grunau Company in 1920 in Milwaukee, offering plumbing installation and repair services. Three years later, heating system installation and service were added. Fire protection services were added in 1929 and specialty metals fabrication services were added in 1960. In 1967, Grunau Company established an office in Indianapolis, followed by offices in Pittsburgh, in 1980; Orlando, Fla., in 1982; and Boardman, Ohio, in 1995.

The company's core principles – quality and customer satisfaction – helped to quickly build its reputation. Four generations have led the company, including Paul J. Grunau, Paul E. Grunau, Gary Grunau and Paul W. Grunau, who purchased the company in 1999. "Each has led with the philosophy that the customer deserves the highest-quality service, and that long-term customer relationships are the true measure of a successful business," the company states.

In the 1970s and 1980s, Grunau was one of the largest

mechanical contractors in the United States. However, growing in size brought challenges, Grunau notes. "As exciting as that was back then, the management issues were pretty serious and caused us to refocus," Grunau says.

The challenge, Grunau says, is that its services are viewed by many as a commodity. "The key is to find opportunities where you can provide value and help customers achieve their business objectives." This led to increased focus on specialized services, such as specialty metal fabrication. On the fire protection side, Grunau has developed an expertise in special hazard applications.

The company also increased its technical capabilities to do large and complicated design/build projects. Grunau has changed its business approach to become involved earlier on in projects, and become a part of the project's planning team. "One of our strongest differentiators is our ability to work on large, complicated fast-track projects," said Grunau. "We need a certain organizational infrastructure to manage these kinds of projects well, and we have worked to develop and improve

our skills in that area."

Grunau says the marketplace currently is saturated with many contractors as a result of a strong economy in the mid- to late-1990s. Often, the newer contractors conduct their business on a project-to-project basis, which Grunau views as a mistake. "In my opinion, in order to have a successful business over time, you have to have a relationship focus, and reinvest profits in the company," Grunau says. "I really think there needs to be a shakeout in the market. Some competitors are in survival mode."

The rebounding economy is visible on a market-by-market basis. For Grunau Company, healthcare and the steel industry are both strong markets, Grunau says.

Customers not only want high-trust relationships, they also want Grunau Company to understand their businesses. Grunau says he sees a shift in the industry toward these types of relationships. "There is going to continue to be a movement toward design/build and single-source responsibility, and a team orientation," he says. "Customers are looking at a team that they're going to rely on that

understands their business, so they don't have to reinvent the wheel every time."

Recent projects that illustrate how Grunau Company brings value to customers include work completed this summer for Northwestern Mutual. The project included a large mechanical system covering both plumbing and HVAC. The HVAC design was a building-wide pressurized floor system; a system that has just recently seen widespread commercial application. "We really partnered with Northwestern Mutual and the rest of the project team to work out details and deliver a system and a positive working experience to Northwestern Mutual," Grunau says.

For U.S. Steel in Ohio and Pennsylvania, Grunau Company delivered a special hazard fire suppression system with the goal of limiting downtime for the customer. "They were very complicated installations in very complicated environments," Grunau says. "We had to work with U.S. Steel staff to fit our work in the context of their production schedule. The most important thing was to enable them to operate their business." ■

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