

MEMBER ADVANCED BATTERY TECHNOLOGIES PROFILE

CHARGING FORWARD

Veteran leadership drives Advanced Battery Technologies' rapid rise.

Every once in a while, a new company comes on the scene with an approach so innovative and so unique that it is able to skip the growing pains and make an immediate impact on its industry. Such is the case with Greensboro, North Carolina's Advanced Battery Technologies (ABT), where President Ken Fearn has turned a lifetime of experience and an insatiable desire to create battery management solutions into a thriving business.

Long before ABT opened its doors in January 2000, Fearn already possessed a career's worth of industry know-how. "When I worked for Hawker, I traveled all over Europe and South America, and that really opened my eyes to a lot of new technologies," explains Fearn. "The Europeans in particular are usually a few years ahead of us in North America in that regard, so I discovered all kinds of useful equipment."

Fearn spent 23 years working for several different battery manufacturers before he was faced with a decision—relocate to another branch and uproot his family, or stay put and go into business for himself. Part of his duties when working for the manufacturers had been to travel around the United States to set up new distributorships, so he decided it was time to put that knowledge to good use. "I've always been pretty entrepreneurial," says Fearn, who grew up working in his father's furniture and appliance business and ran a small liquor store on the side while working in battery manufacturing. "Thanks to my previous experience, I knew what I was doing when I opened my own company."

The real adjustment, he says, was getting to know the customers and their applications on a more intimate level. "When we were starting out, I spent a lot of time in battery rooms and on the floor with customers learning what their pain was."

Among the company's first orders of business was performing fleet studies for six major

customers. Fearn estimates these studies included about 3,000 total lift trucks. "We monitored the battery consumption for every single one of a customer's lift trucks over all three shifts—literally 24 hours a day," says Fearn. ABT employees, and sometimes Hawker representatives, took turns sleeping on pallets in the distribution centers while alternately monitoring and gathering as much data as possible. The hard work and obsessive attention to detail paid off; ABT reduced its customer's fleets by at least 25 percent in all six instances.

Fearn is quick to attribute the company's success to the ABT employees, particularly a veteran management staff whose experience rivals that of much more tenured companies. Director of Motive Power Sales Jay Shaw is a forklift industry veteran, while Director of Reserve Power Sales Art Galen spent more than 20 years working for battery manufacturing companies. Pete Chaffin, ABT's director of contract fulfillment, spent 20 years as superintendent at a battery manufacturing plant. Fearn

COMPANY SNAPSHOT



President: Ken Fearn

Year Founded: 2000

Year Joined MHEDA: 2005

Headquarters: Greensboro, North Carolina

Branch Locations: Charlotte, North Carolina; Nashville and Ooltewah, Tennessee

Employees: 25

Web Site: www.advancedbatterytech.com

estimates that, among the four of them, there is over 100 years of industry experience. “We came from the inside out,” says Fearn. “Since we had manufacturing backgrounds, our depth of product knowledge gives us a significant advantage.”

A NEW WAY TO SELL BATTERIES

Throughout the company’s early fleet studies, Fearn noticed one problem occurring over and over: Poor fleet and battery room management were costing his customers enormous amounts of money. Companies, worried about downtime, overstocked on batteries and neglected a key component. “Many customers had the perception, ‘We need more batteries; we never have enough power,’ when, in fact, it was an issue of better managing what they already had,” Fearn says. He tried to explain to customers that the battery was essentially a fuel tank—the real key to the system was the charger.

By focusing on the charger instead of the battery, ABT offered a solution that nobody else was consider-

ing. “We told customers that we could fix their battery problems by installing a system that features a charger that costs twice as much but uses a third fewer batteries,” says Fearn.

The novel approach proved to be a significant obstacle because “our competitors would come in and tell the customer that we were nuts,” Fearn says. To combat this perception, Fearn decided that ABT should take battery

management out of the customers’ hands. Thus began the company’s transition from a battery sales company to a total battery management solution provider. Armed with decades of experience and a steadfast confidence in its ability to succeed, ABT launched its Guaranteed-POWER Program in 2003.

Under this plan, ABT quotes a fixed monthly rate for a 36- to 60-month period, which guarantees customers all the power they need for that length of time. The customer isn’t buying batteries. The customer isn’t buying chargers. The customer is purchasing power. Fearn explains, “In this day and age, our customers just don’t have time to manage their fleets. So we identify their needs,



The Greensboro, North Carolina, headquarters of Advanced Battery Technologies



The expertise and experience of service technicians like Robby Mantooth (l) and Wayne Harris help make ABT’s GuaranteedPOWER program a success.

select the right products for their specific applications and then maintain the products ourselves in order to get the maximum life and productivity out of the equipment.” Essentially, once the GuaranteedPOWER contract is signed, the customer can walk away knowing that they are no longer assuming any risk.

There is a caveat with eliminating the risk for the customer: The onus and cost for monitoring, repairing, replacing and maximizing the efficiency of a customer’s batteries and chargers is now completely on ABT. “We have significant risk, so that means we don’t go into these programs lightly. We have to be very, very good at what we do, or else it’s going to cost us,” explains Fearn, confident that the nights spent in distribution centers ultimately save money for customers.

HARD WORK PAYS OFF

Getting the GuaranteedPOWER wheel in motion wasn’t an easy task, but, according to Fearn, it’s spinning smoothly now. “I know the idea is working because now those same competitors who called us crazy a few years ago are starting to copy us,” he explains with a chuckle. Such increased competition may worry a typical business owner, but not Fearn. “We have a skilled and experienced staff who have been working with this program,” he explains.

ABT has also developed computer programs for sizing and bidding. Through this technology, even inexpe-

rienced salespeople can go out, collect data, turn it around and produce a quote in a fraction of the time it previously took.

Technology also gives ABT an edge in service. Every single lift truck that ABT is responsible for powering is equipped with advanced monitoring software. The technology allows ABT service technicians to remotely monitor their customers’ batteries and chargers. They can adjust charger settings, manage kilowatt consumption and determine if a battery needs watered, all from an ABT office. “That way,” says Fearn, “we can dispatch a service technician before the customer even realizes there’s a problem.”

The program is working exactly as intended, even though Fearn knows the GuaranteedPOWER plan isn’t always the most profitable way to sell batteries and chargers. The real benefit for ABT, he says, is the long-term relationships that the program allows the company to build with its customers. “The big thing for us is that we get a chance to prove ourselves to the customer over a long period of time,” says Fearn. “Once we do that, we know they’ll stick around.”

No Signs of Slowing Down

In its first nine years of operation, ABT grew from one employee working from home to 25 staffers spread out over four locations, with two more branches on the way. Over the next five years, Fearn expects ABT to dou-



ABT’s management staff (l-r): Director of Motive Power Sales Jay Shaw, President Ken Fearn, COO/CFO Tom Sekel, Director of Contract Fulfillment Pete Chaffin, Service Manager Mike Dickerson, Controller Bill Christiansen and Director of Reserve Power Sales Art Galen (not pictured, Marketing Manager Antonio Mendonca)



ABT's service staff keeps the company's 1,500 monitored trucks running smoothly. (l-r) John Dillard, Pete Chaffin, Dennis Lackey, Scott Justice, Heath Martin and Terry Chaffin.

ble in size, growing to 50 people with another three to five facilities. Helping to manage that growth will be newly hired COO/CFO Tom Sekel. Though new to the industry, Sekel has a strong operations background. "As we restructure and grow, Tom is really going to help us achieve continuity and consistency between branches," Fearn says.

Also supporting that growth will be the same principles and attitude that have driven ABT since 2000—small-company service with big-company benefits. ABT offers generous compensation and benefits packages, including a 401(k) and profit-sharing programs. "We also pay 100 percent of our employees' medical insurance premiums," says Fearn, adding that ABT's salaries for service technicians rest firmly on the high end of the market. "We want to hire technicians who are a cut above the pack, and to do that, we need to invest in payroll."

Not to be forgotten, says Fearn, is the impact suppliers

such as EnerSys, Hawker, Power Designers and Sackett Systems have had on the company's success throughout the years. "Without their efforts, GuaranteedPOWER wouldn't have been possible. When we were doing fleet studies, their engineers were sleeping on those pallets right next to us," he says.

While nobody can guarantee success for the long term, Advanced Battery Technologies certainly has all the pieces in place—veteran management, a dedicated workforce, great supplier relationships, innovative and unique product offerings, and, perhaps most important, a strong company-wide desire to solve problems. Fearn sums it up, saying, "We've experienced tremendous growth so far, and it's been a grassroots effort, training our own people and doing whatever it takes to give customers what they want. We have a niche and a product that end-users need. The future looks very bright."

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