

by Peter Finlay

## Ride the Crest to Success in the Specialty Gases Market — Sell Specialty Gases Exclusively

A new specialty gases distributorship in Northern New Jersey is certain it has a unique formula for success in what may be the most lucrative area for specialty gases in the country.

During the latter part of 2005, Atlantic States Specialty Gases started up as one of a handful of distributorships in the U.S. that focus exclusively on the specialty gases and equipment markets. Founder and president, Rick Long, says he's had his eye on this market for the better part of a decade.

Long began to create his business plan two years ago. It was founded on his assessment that the market in the eastern seaboard needed a distributor organization that "specialized" in selling specialty gases. His plan would differentiate him from the distributors who sold both industrial and specialty gases. "I believed that there was a great opportunity for a distributor on the Eastern seaboard as spelled out in my plan," he says.

Long points out that there are some single-focus distributors on the West Coast that are doing very well, and he believed strongly that the East Coast could use one as well. For a reality check, he sought out several of his close friends who are industrial distributors. To a man, they all supported the idea with enthusiasm—it was the correct recipe for success.

## Concentrating on the Smaller Companies

Despite some formidable incumbent,

multi-format competitors, Long is confident that he has the right formula to be a serious player in this lucrative market—a state that has the highest density of chemical, pharmaceutical, and research organizations in the country. That formula, according to Long, begins with a 100 percent focus on specialty gases.

"My competition, for the most part, is basically industrial distributors whose roots reside in the welding products business," he says. "That carries with it a large investment in the industrial area that common sense tells you requires a lot of attention." Long believes that his total dedication to specialty gases is a strategy that will be attractive to the customer base.

His primary targets are the companies that purchase \$10,000 to \$30,000 in specialty gases annually.

So far, he contends that it has proven correct. Once he gets to see the decision-maker in one of his target companies, and has an opportunity to detail the advantages of his service, he invariably gets the business.

"When we explain how we can deliver on our promise on time, on spec—with an accurate invoice—they're hooked," he says. "Believe it or not, an accurate invoice is very important to these customers. As a specialty-gases-only distributor, we can almost guarantee an accurate invoice."

Long believes that as long as he keeps



First and lasting impressions keep the customers coming back. Above is an example of the branding and Atlantic States' Truck calling on a customer.

getting it right with these smaller customers, the word will get out and he will begin to land some larger customers. "Right now," he stresses, "we don't want to invest the time—up to two years—to cultivate the larger customers. We're happy to serve the smaller ones now, grow with them, and rely on word-of-mouth to get us to the big guys later."

With a local fill facility and a stocking location in Mountainside, New Jersey, Long believes he is perfectly positioned to serve the market, which for Atlantic States takes in four territories in northern New Jersey. At the fill facility, Atlantic States fills only ultra-high-pure gases. He purchases his mixtures from Matheson and liquid helium from BOC Gases. He also has contracts with CONCOA and Matheson to sell equipment, which he estimates will represent 17 percent of his business.

Atlantic States, as a participant in the Matheson "Distributor Development Program," uses the Matheson catalog in its sales effort. The program is designed to assist distributors of specialty gases to improve their business. It consists of a complete range of service offerings—from sales training and marketing support up to design and installation of a high-purity specialty gas fill plant. Long is quick to point out that he is at least two years away from installing a new fill plant in New Jersey. "Right now, I'm very happy with the training and marketing we're getting from Matheson," he says.

## **Impressive Credentials**

"I'm an old Linde guy," is how Long referred to himself on several occasions, more or less to establish his credentials as a "long-time cylinder guy," during a recent interview with The Specialty Gas Report. [The Linde, to which Long refers to is not the one headquartered in Germany that is buying BOC. It's the one that was a part of Union Carbide that was spun off as Praxair in the 1980s.]

"I've been in the cylinder business just about all of my adult life, and have always had a feeling about the specialty gases segment," Long asserts. "It's not just the gases that are special; the business and how you run it are special. It's a truly unique seg-



Figure 2. (From left) Rick Long, James Wynn, Process Development Manager for Princeton Optronics, and Colleen Mahoney, Territory Manager for Atlantic States Specialty Gases discuss gas purity specifications in clean room environment.

ment of the cylinder gases business."

During his time with Linde and subsequent stints with Matheson, JWS Technologies, Praxair (again), and then Welco/CGI, he got around to doing "just about everything you could do in the cylinder business." Long, at one time or other, filled and loaded cylinders on trucks, ran an industrial cylinder plant and an acetylene plant, and pounded the pavement as a salesman in the Baltimore/ Washington area selling gases and equipment.

"In all my years in this business," he states, "the most important thing I learned about specialty gases is that you can't get it

right unless specialty gases constitute your only area of concentration. If it represents only 15-20 percent of your entire business, how can you give it the kind of attention it deserves?"

Long's tag line for Atlantic States Specialty Gases is "World Class Supplier of Pure and Mixed Gases." He's quick to point out that there are several elements involved in this "World Class" boast. Long contends that product quality is only the entry fee in this business.

"There is more to the business, however," he adds. "Exceptional customer service is paramount. You need to be flexible enough in this business to be sure the customer gets the product he wants . . . where and when he wants it."

Long believes this is where he has the competitive edge. So does James Wynn, Process Development Manager for Princeton Optronics, a small manufacturer of vertical cavity lasers that uses etching and deposition gases in its process. Wynn recently decided to buy all his specialty gases and supplies from Atlantic States. He says that the company "came through in its hour of need."

"We were running out of product and our existing supplier couldn't deliver for two to three weeks," recalls Wynn. "We called Atlantic States, which delivered it to us in three days."



Figure 3. Joey Pepe, Laboratory Technician for Atlantic States Specialty Gases performs analysis on Ultra High Purity Helium.



Figure 5. Jeff Conway (left) Driver, and Rick Long deliver Specialty Gas cylinders to a Pharmaceutical Research facility.

When the same thing happened a several months later, Wynn decided that Atlantic States had earned their business "fulltime."

Steve Sloshberg, Laboratory Manager at ProLong Pharmaceuticals, a biopharmaceuticals company, located in Monmouth Junction, N.J., is also impressed with Atlantic States' service. "Sometimes, through our own fault, we'll run low or out of product and need it in a real hurry," he says. "Atlantic States has gotten it to us the same day. That was never possible

with any other supplier."

Wynn also said he was impressed by the appearance of the Atlantic States' cylinders and delivery vehicle. "Some of our equipment costs as much as two million dollars," says Wynn. "Atlantic States delivers product in cylinders that have the high quality appearance our equipment deserves."

ProLong's Sloshberg concurs with Wynn's assessment of the "look" of the Atlantic States cylinders. According to Sloshberg, in addition to the company's responsiveness, it was the high quality appearance of the cylinders that attracted him to Atlantic States. ProLong buys ultra-pure nitrogen and argon for blanketing and for sparging (bubbling to remove O<sub>2</sub>) of buffers.

"That's no accident," says Long, who credits Dan Byrne, of Dan Byrne Specialty Gases in Seattle, for this critical branding strategy.

Byrne served as Long's mentor when he decided to enter the specialty gases business. "From the time I worked for Praxair in the Northwest, I was truly impressed by Dan's operation," he recalls. "So, there was no way I'd start anything in this business

without taking as many pages from his book as I could. And when I asked for his help, he was very generous."

One of the many things he learned from Byrne was that the appearance of the equipment is every bit as important as the quality of the product in the tank. "Walk into his pump-room and look at his cylinders," stressed Long. "You know immediately he's big into branding. Each label is exactly in the same place on every cylinder, and he's a stickler about the appearance of his cylinders and trucks. It's a reflection on the care that was taken to put the gas in the cylinder."

One look at the branding Atlantic States insists on will tell you Long has learned his lessons well from Byrne. As a matter of fact, Long is approaching all aspects of the business in just about the same way Byrne has been for the past 15 years.

"If I can be as successful in this market as Dan has been in his, I'll be more than satisfied," Long concludes.

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