

Case Study: B&F Fastener Supply

In Fall 2011, the Hennepin-Carver Economic Gardening Network initiated an integrated approach to delivering services, which not only gives second-stage entrepreneurs access to a team of research specialists at no cost but also monthly roundtables and quarterly CEO forums. One of the early participants was Loren O'Brien, CEO and co-founder of B&F Fastener Supply, a Minneapolis-based distributor of industrial and construction supplies with branches in four states. Founded in 1988, B&F had about 160 employees and \$25 million in annual revenue when O'Brien participated in the economic gardening program in 2011.

One of O'Brien's key research issues was finding the optimal locations for two new B&F branches. The network's research team investigated 12 markets the company was considering, and after hearing their feedback, B&F decided on Eau Claire, Wis., and Dubuque, Iowa. "The research results were especially beneficial because we hadn't really planned on those cities," O'Brien explains. "We had some existing business in Dubuque, but their information showed us the area had a lot more industry than what we thought. We had just tapped a small portion of it."

Typically, B&F's break-even point for opening a branch is 12 to 18 months. But O'Brien believes the information provided by the research team will accelerate that time by at least six months. "As soon as we opened the branches, our sales people were able to hit the ground running and knew who they needed to concentrate on," O'Brien says. "What's more, the research the team conducted on the other 10 markets will come in handy as we continue to expand."

The research team also helped with O'Brien with:

- Succession planning (he has two daughters involved in the business).
- Industry comparisons for employee salary and benefits for each of the five states that B&F has branches in.
- Leveraging recruitment techniques with social media.

"Normally we've just used online employment websites like Monster.com and CareerBuilder.com and local print ads for recruiting, but by placing ads on FaceBook and LinkedIn, we're now able to target potential job candidates who have the kind of industry experience we were looking for," O'Brien explains.

Qualifying for the economic gardening network also enabled O'Brien to get an annual membership at no cost into PeerSpectives, a CEO roundtable methodology developed especially for second-stage companies by the Edward Lowe Foundation.

O'Brien says that he was initially skeptical of the roundtables. Because participating CEOs came from a variety of industries, he worried that there would not be any networking opportunities. "Yet I got a tremendous amount of value and came out of every meeting with some kind of takeaway," he says. "Even though we came

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from different industries, we shared a lot of the same issues, especially when it came to personnel.” In fact, O’Brien plans to continue in the roundtable after the county-funded period expires.

Besides sharing business issues, roundtable members discussed their research projects, which O’Brien found insightful. The group also confirmed that his game plan for growth was on track. “That was really helpful,” O’Brien says. “Knowing what you’re doing right can be just as beneficial as knowing what to do differently.”

Research has shown that entrepreneurs who are exposed to roundtables and CEO forums, in addition to the research assistance, grow faster and receive more value, says Steve Quello, managing partner of CEO Nexus and an economic gardening expert who helped launch Hennepin-Carver’s integrated service approach. “The research team provides relevant information in a just-in-time format that helps CEOs deal with roadblocks or discover new opportunities, while roundtables and forums provide peer learning and networking opportunities,” he explains. “Those three services working together enable communities to help their entrepreneurs generate repeatable, sustained growth.”



The Edward Lowe Foundation is a nonprofit organization that supports entrepreneurship through research, recognition and educational programs, which are delivered through entrepreneur support organizations (ESOs).



The National Center for Economic Gardening is a partnership between the foundation and Chris Gibbons. NCEG delivers economic gardening services and maintains national standards in training and certification for both regional and state networks. For more info, visit www.edwardlowe.org.