

Taking Customer Service To A Higher Level

by Steve Van Loan, CEO and President of Palatek, Inc.

Everyone talks about customer service, but most companies only give it their full attention when something goes wrong.....for example, when there is the threat of losing a long term customer. Palatek Inc., a fast growth manufacturer of rotary screw air compressors located in Michigan City, IN, has taken a different approach. According to Steve Van Loan, CEO and President of Palatek, "Our customers consists of both our distributors and their customers...if anything goes wrong with one, it also goes wrong with the other. For this reason if there

is a problem with one of our customers we jump through hoops to solve it fast!

We've found there are a number of benefits to this policy. First, if a customer has a problem, he can't have it solved fast enough. In most cases air compressors service production equipment and/or tools... and when air compressors are down, production is down. For this reason it is costing that company money and creating aggravation. If we can cut this time to an absolute minimum, the maintenance personnel and management

will think better of us when they are ready to buy their next air compressor. Also we have found it is human nature for maintenance managers to talk about their troubles, especially with their peers. If you can solve a problem for one of these maintenance managers fast he is likely to tell his friends who may also be your potential customers." Van Loan continued, "This fast customer response attitude is so important we make sure to select air compressor distributors that feel the same way we do about customer service."

Fast Service From Equipment Distributors Pays Off in Air Compressor Sales

PneumoTech, Inc., Palatek's distributor, located in Boise, Idaho, is a good example of a company's emphasis on customer service. Garth Sickles, President and General Manager of PneumoTech has this to say, "Taking good care of our customers is the bottom line. Boise and the surrounding area is a relatively small town and one unhappy customer can spread the word faster than ten satisfied customers. We don't just jump through hoops to solve our customers problems, we bend over backwards and I've found our extra emphasis on service pays off time and again.

"Simplot Meat Products, Inc. a meat processor in Nampa, Idaho or-

dered a 75hp Palatek air compressor several months ago. When we installed the air compressor, there was a problem in the control panel. I contacted Steve Van Loan at Palatek and listed the three parts I felt it might be. It could be a relay,

a transformer or another small part. The next morning I got all three parts FedEx'd to me. Van Loan said, 'Take the parts you need and return the parts you don't use.'" Sickles commented, "We fixed the control problem and the air compressor is running



Curtis Kunkel, Field Technician; Garth Sickles, Senior System Analyst; Carl Kunkel, Controls/Instrumentation Specialist.



75 hp Palatek Air Compressor at Simplot Meat Products, Inc., Nampa, Idaho.

fine. There was no discussion of P.O.'s, who's going to pay for this, or anything else...just get that air compressor operating the fastest way possible. It's this kind of customer relationship that keeps customers coming back to PneumoTech and it's one of the reasons we like to work with Palatek."

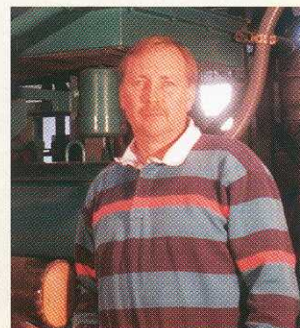
The Warranty Barrier in Customer Service

Some companies use their warranties to cover product profitability problems and some use it to generate more sales. Sickles said, "Some of our competitors drive customers to us because of their warranty policies. When a customer has a problem, the last thing they want to hear is, 'It may not be under warranty.' Also some companies put so

many restrictions on their warranty and if these restrictions aren't followed to the letter, the warranty is useless. Some companies also use their warranty as a sledgehammer to force a customer to buy expensive maintenance products. This

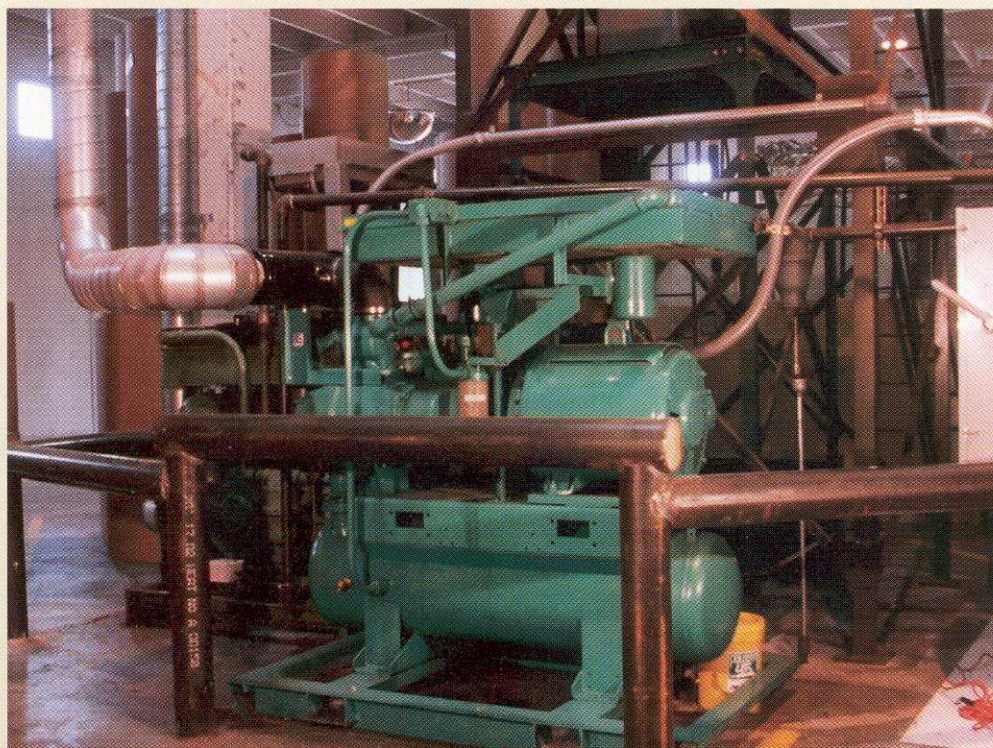
may help their short term profit margin but this kind of high pressure tactic eventually drives customers away."

Vern Winters, Purchasing Director at Boise Cascade in Boise, Idaho had this to say about warranties. "We purchased a 150 hp Palatek air compressor about two years ago. We traded in a competitive brand for the Palatek. We use the Palatek air compressor for running all our corrugated equipment and the printing presses as well as the



Vern Winters, Purchasing Director at Boise Cascade, Boise, Idaho.

conveyors and diaphragm pumps. Under the warranty agreement with the other brand, the oil was costing us \$80 per gallon... like 24 carat gold. The oil for Palatek's



150 hp Palatek air compressor at Boise Cascade, Boise, Idaho.



Controls on Palatek 150 hp air compressor at Boise Cascade.

air compressor is only \$30 per gallon, a major savings, plus the maintenance items are less expensive on the Palatek and the service is fast. We had a slow leak and that was quickly fixed with no problem. We also went through quite a few filters before we vented the air compressor out the roof which solved that problem. In the last two years we really haven't had any problems. The Palatek air compressor is doing a good job for us and they have an excellent product warranty."

Warranty... Also A Factor in Purchasing Decision

According to Joe Toste, Maintenance Supervisor for Simplot Meat Products, Inc. in Nampa, Idaho, "Palatek's 5 year warranty was a major factor in our company's decision to purchase two 75 hp Palatek air compressors"

Toste said, "The best the other three air compressor suppliers could

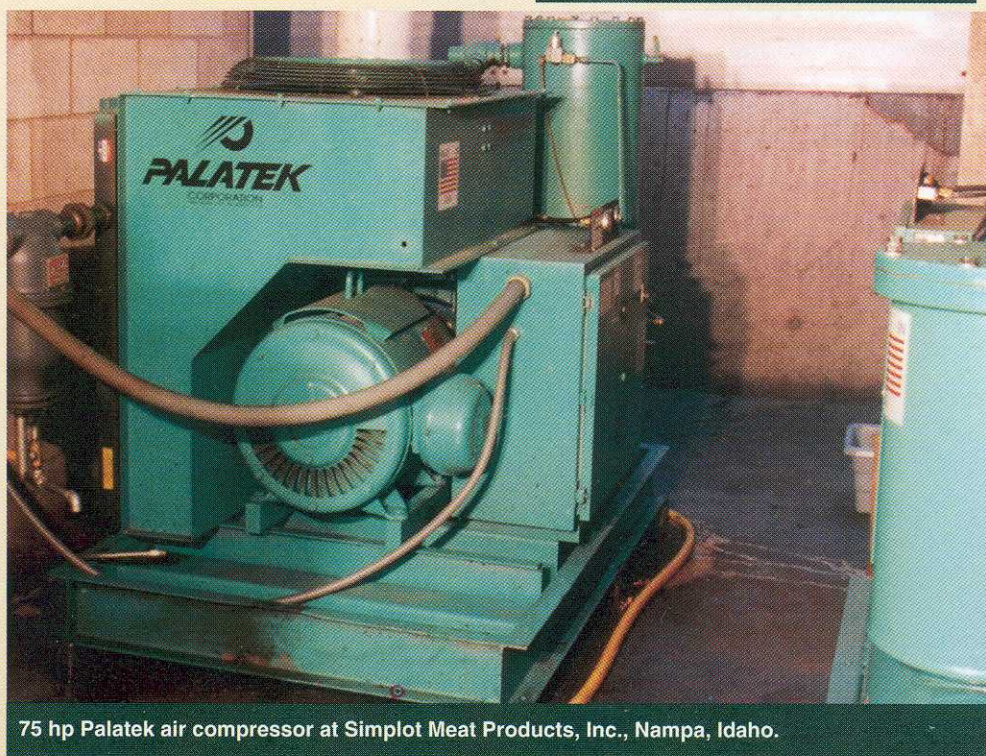
come up with was a two year warranty. We put the air compressors out for bid and the bid was close but Palatek's 5 year, full coverage warranty definitely was a deciding factor. I would also have to say that PneumoTech's fast response service was also a key factor in our purchasing decision."

Service Within An Hour

Toste said, "I have never called PneumoTech that a service rep hasn't shown up within the hour. Garth Sickles knows how important air compressors are to our production. Palatek air compressors run our lift stands, tray former, boxing machines, Cryovac packaging machines, air knives, air saws, and pneumatic ramps. One time I called Garth and he got out of bed at 3:00 in the morning to bring out a portable air compressor. Now that's service I know I can count on. We have owned Palatek air compressors for over 2 1/2 years and they make the finest air compressor on the market and PneumoTech backs that up with great service."



PneumoTech, Inc. plant and offices, Boise, Idaho



75 hp Palatek air compressor at Simplot Meat Products, Inc., Nampa, Idaho.

No Name Air Compressor Selection Process

When Mike Johnson, Boiler and Refrigeration Supervisor at Ore Ida Foods, Inc., in Ontario, Oregon knew he needed new air compressors for his potato processing operation, he came up with a unique selection process.

Johnson said, "PneumoTech had supplied our firm with some plant equipment and responded to our service needs. They recommended Palatek air compressors, a name I was not familiar with at that time.

I wanted to be as absolutely fair as possible, so I selected three other air compressor brands and listed all the benefits and possible problems with each product. Then I took off the brand names so the engineers, technical support, and management people that would be making the decision wouldn't know which brand they were selecting.

The criteria included:

- **Simplicity of Operation**
- **Price**
- **Maintenance Cost**
- **Warranty Coverage**

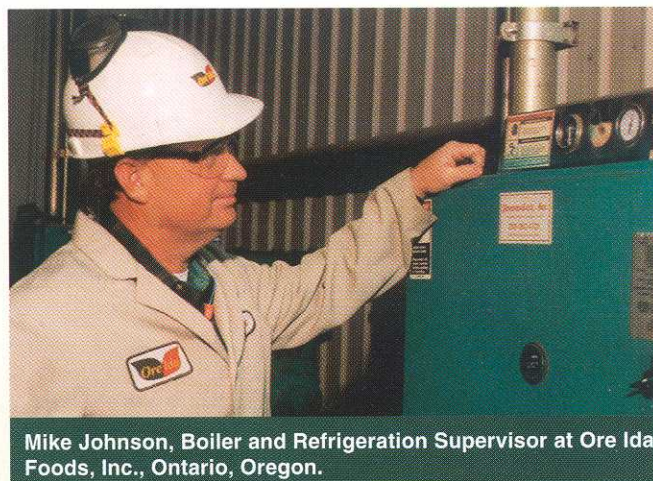
I am in charge of a lot of potato processing equipment and I didn't want any air compressor that would break down or cause us major problems in six months to a year. Plus, the new air compressors have to run

a considerable amount of equipment that includes weight scales, packaging machines, control instruments, control valves and other equipment.

The equipment committee selected Palatek air compressors. It boiled down to simplicity of operation, (the Palatek has very few parts) price and warranty. The group selected 2-150 hp Palatek air compressors with 200 hp motors. After nearly three years of operation I have been very pleased with the Palatek's air compressor performance. We had one small problem, and PneumoTech and Palatek worked together to solve it very quickly."

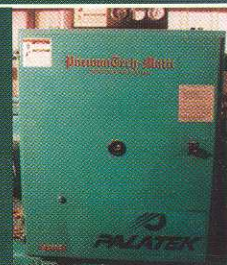
Fast Service Appreciated

Johnson continued, "I've worked quite a few years with Carl Kunkel, Curtis Kunkel and Garth Sickles at PneumoTech and as they like to say... they jump through hoops to service customers fast. Their objective is always, get it fixed no matter what it takes. I appreciate this dedication to good customer service. Plus, they are the most knowledgeable people I've worked with in the equipment repair business."



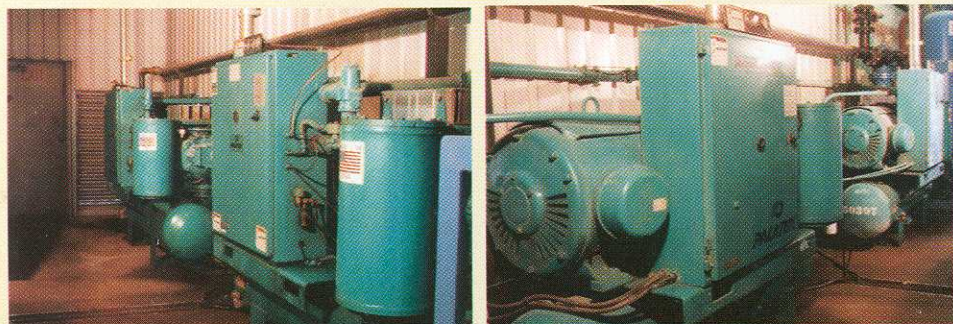
Mike Johnson, Boiler and Refrigeration Supervisor at Ore Ida Foods, Inc., Ontario, Oregon.

Control panel on Palatek's 150 hp air compressor at Ore Ida Foods, Ontario, Oregon



Simplicity, A Major Benefit

Steve Van Loan said, "Many times I've had our Palatek customers tell us they have been very impressed with the simplicity of construction of our air compressors. The Palatek rotary screw design has 33% fewer parts than our competitors which also mean 5-30% less cost. Plus, the rotary screw air compressor operates 100% of the time versus 70 to 80% of the time for reciprocating air compressors. There is no need for a shut down period to cool off. Add the most air with the highest pressure and the smallest footprint on the market and you have the features that have more than doubled Palatek's sales in the past 4 years. But, as good as all this sounds, none of it would have been possible without a dedicated commitment to customer service."



Two Palatek 150 hp air compressors at Ore Ida Foods, Ontario, Oregon.

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