

# THE WHOLESALER®

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•THE WHOLESALER®—NOVEMBER 2007

## MASTER DISTRIBUTION



United Pipe & Steel Corp.  
The Industry Leader in Pipe Products Distribution

### United Pipe & Steel

## A commitment to the wholesale channel

BY MARY JO MARTIN  
Editorial director

In 1980, David Cohen took a leap of faith, leaving a position as a sales representative for a local steel company to start a new venture. He founded United Pipe & Steel in Lynn, Mass., with an initial offering of steel pipe — the product that he knew best.

Cohen relied on a global network of steel pipe suppliers to help get his master distribution company up and running. He brought in steel pipe from countries around the globe, including Luxembourg, Korea and Germany. United Pipe & Steel initially served plumbing, heating and PVF wholesalers in the Boston area, many of whom continue to be loyal customers.

A few years later, Cohen elected to expand United Pipe's offering to include copper tube. "This was a natural fit, given customer demand and operational similarity with steel," said Cohen. "Next, we expanded into PVC pipe, which rounded out the piping product lineup. These were really major turning points in the company's history."

United Pipe's strength in the marketplace relies on long-standing, strong relationships with its suppliers. Many of these go back to its early years.

According to Cohen, when evaluating a new line, United Pipe executives ask themselves the following questions:

- "Is there enough customer demand for this product?"
- "Is there a benefit for customers to obtain it from us, either because of our just in time service model, or because of our ability to package it with other products?"
- "Can we enter into it profitably?"

"We work with only the best in the business," said Cohen.

Thanks to those relationships and Cohen's entrepreneurial and sales skills, United Pipe & Steel has grown to be one of the nation's leading master distributors of piping products. Their package — including copper tube, steel pipe and PVC — means that customers need to turn to only one place for all their piping needs. And turning is the name of the game. United Pipe & Steel's value proposition is that customers can turn their inventory more frequently, thereby reducing their exposure to price volatility of commodity products.

Three years ago, United Pipe & Steel expanded again — tackling the electrical distribution market. The company now also serves electrical wholesalers with PVC and metal conduit, threaded rod, and strut. This additional diversification has helped United Pipe develop more consistent business results.

#### A company snapshot

United Pipe's geographic expansion has allowed more

*Twenty-seven years after founding the company, David Cohen shows off just a sample of United Pipe's vast copper pipe inventory.*



David Cohen is pictured shortly after he founded United Pipe & Steel in 1980. Early on, the company offered steel pipe, soon branched into copper pipe, and now provides plastic pipe and conduit as well as threaded rod, strut, copper linesets and more.

wholesalers to take advantage of the company's competitive pricing, low minimum order quantities and high fill rates to improve their bottom line. In addition to its Ipswich, Mass., headquarters and distribution center (the company relocated from Lynn, Mass., in 1985 to gain more warehouse space and easier access to highways), United Pipe opened a second DC in Easton, Pa., in 2000, and a third in Elyria, Ohio, in 2006. United Pipe is close to opening a fourth DC in Indianapolis, Ind., which should be operational around press time. Currently, United Pipe employs 65 people.

"With our own fleet of trucks and this distribution network, we are able to service 22 states in the Midwest, the Mid-Atlantic and the Northeast," Cohen said. "Our trucks are all driven by United Pipe & Steel employees, therefore ensuring on-time delivery and proper handling of pipe to reduce the possibility of damaged material."

The company's product line now includes:

- Domestic steel pipe
- Canadian steel pipe
- Copper tube
- PVC, ABS, SDR and S&D
- PVC conduit
- Metal conduit
- Threaded rod
- Strut
- Poly pipe
- Coated copper coils
- Copper linesets.

United Pipe is committed to selling through the wholesale channel only, with plumbing & heating, PVF, HVAC and electrical wholesalers its primary customers. "It's very important to note that United Pipe & Steel does not sell to end users — period," noted Cohen. "We will drop product off at job sites only on one of our customers' purchase orders."

#### A focus on customers

To ensure that its customers receive the best possible technical and professional service, United Pipe puts all new sales representatives through an exhaustive training program that focuses on the



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### Distributor-friendly United Pipe & Steel covers 22 states

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company, its products and customers.

“We emphasize the importance of knowing their customers well enough to advise them on how we can help improve their bottom line,” said Greg Leidner, general manager and son-in-law of Cohen. “Much of this training is hands-on, and is supplemented with reading and informational sessions for continued educational support.

“The value of United Pipe & Steel is in its ability to out-service the competition. We pride ourselves in having high fill rates and on-time, accurate shipping. Every customer has both an outside and an inside sales representative servicing their account. Additionally, our sales management is actively involved in day-to-day activities.”

The old saying, “The proof is in the pudding,” really illustrates the loyal following that United Pipe has developed over the years. The vast majority of its business comes from repeat customers. In addition, new customers are regularly brought on board.

“Our salespeople are true evangelists for our company — they are always looking for opportunities to spread the word to potential customers about what we do, how we do it and, most importantly, how we can help customers improve their bottom line,” explained Leidner.

United Pipe’s structure supports the changes in buying behavior that the company has seen in recent years. As customers look for ways to improve

their inventory turns in the volatile commodity markets, they often want to buy smaller loads of product more frequently, rather than a truckload scheduled further apart. The service and product offered by United Pipe allows its customers to lower their inventory holding cost while reducing their exposure to the volatility in today’s commodity market.

To offer customers ordering options, in early 2007 United Pipe launched its website, [www.united-pipe.com](http://www.united-pipe.com). Having tracked its visitors since the site’s inception, United Pipe has seen traffic to the website consistently grow throughout the course of the year.

“We are pleased with the level of activity, but not surprised,” Leidner noted. “Our website contains updated price sheets, locations to each of our facilities for will calls, credit applications for download, and information about our organization. In keeping with our company policy of not selling to end users, price sheets are only accessible by registered wholesalers.

“As we continue to expand into new territories, our website is a place customers can go to quickly find out all they need to do business with us.”

When asked what sets United Pipe & Steel apart in the market, Leidner was quick to answer, “Service, service and more service. Who else can a customer call and say, ‘I’d like a truckload of steel, all broken bundles, delivered to a job site no later than this Thursday’ and have the confidence that it will be there, on time every time?”



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“We have low minimum order quantities (just 2,000 pounds for FFA) and make weekly route deliveries. This means that our customers don’t have to maintain high inventory levels to offer their customers high fill rates. They can rely on us to have the inventory levels to support their needs, and just draw on it when they need it.”

As with any master distribution house, product availability and reliable shipping are key to building trust with customers. United Pipe draws on its history and experience to judge the right amount of inventory to have on hand during the various peak seasons throughout the year.

“We have been in the pipe industry for the past 27 years, and have a thorough understanding of industry demand drivers and product demand drivers,” noted Cohen. “We keep enough of an inventory to maintain high fill rates but not too much inventory that we have too much capital tied up at any one time.

“Our warehouses stay quite busy keeping up with demand. In the mornings our teams are busy unloading trucks from our vendors. They then switch gears at around 11:00 a.m. and start loading the trucks for the following day’s deliveries.”

#### It all starts at the top

Undoubtedly, much of United Pipe’s success can be traced back to its founder. David Cohen’s business acumen, intu-

ition and relationship-building skills are key assets that he has taken great care to pass down to all of United Pipe’s team. The company leadership team philosophy is “We are United.”

This can be broken down into three main categories, as described by Cohen:

- “We are united with our customers. Our goal is to understand our customers’ business drivers, enough that we can become trusted advisors in inventory management. This, in turn, has led to United Pipe’s long-standing, loyal relationships with customers.”

- “We are united with our employees. From our truck drivers to our warehouse workers to our sales team, our employees go the extra mile. They are top in the industry, hands down.”

- “We are united with our vendors. Our place in the supply chain is to service markets that are not cost-effective for our vendors to service. Our relationship with them, in turn, is very strong. We grow our relationships with them through communication, working together to find out ways to improve.”

This philosophy is absolutely working on all levels. Over the past five years, United Pipe has doubled its business, which can be credited to economic growth in markets it serves, its geographic expansion, and its increased share of the market.

For additional information about United Pipe & Steel, call 800/777-7473 or visit [www.united-pipe.com](http://www.united-pipe.com). ■