

FMI PRODUCTS CELEBRATES ITS FIRST ANNIVERSARY *By Sharon Sanders*



When FMI Products, L.L.C., reached its one-year anniversary in March 2010, no one would ever have guessed that the business had been in jeopardy just 24 months earlier. Today, FMI Products, headquartered in Santa Ana, California, is the only surviving piece of the bankrupt manufacturer DESA. Shortly after DESA filed for bankruptcy in 2008, Mark Klein, John Gurrola, and Glenn Thomson purchased the company's full-line fireplace division, which Klein had been running for 10 years.

They have breathed new life into it, from its management team to its operations and products. Klein, who is now CEO and COO, is thrilled with the state of the new company. He says, "We were able to buy the business out of a bankruptcy and turn it into a high-performing company without ever really skipping a beat."

A CHANCE TO SHINE

As FMI Products, the business now has the chance to be something that it always knew it could be, but wasn't able to achieve as part of DESA. "We are committed to running a well-managed, customer-focused company," Klein explains.

FMI Products is one of four full-line fireplace manufacturers in the United States, making wood-burning fireplaces, direct-vent fireplaces, B-vent fireplaces, vent-free fireplaces, electric fireplaces, and a full array of vented and vent-free gas logs,

as well as hearth accessories. It also offers precast mantels and surrounds. "We have upwards of 1,200 SKUs at the current time," Klein says.

FMI Products serves different segments of the hearth industry across the United States under the brand names FMI, Design Dynamics, Vantage Hearth Products, HearthSide Designs, and Comfort Flame. The company manufactures its products in two large facilities (in Santa Ana and in Russellville, Alabama) that were once operated by DESA.

Under the guidance of Klein, the entire infrastructure of the business has been revamped over the past year, giving it a fresh start. "We were able to build it exactly the way we wanted to, which has made the company more effective in how it operates and how it serves its customers," he explains.

Throughout the process, it was critical to all three partners for the changes that the company was going through not to be apparent to customers. "Our goal was to insulate them from everything that was going on behind the scenes. The only changes we wanted them to see were the positive ones," Klein says, adding that customers have told him that they were pleased with how the transition was handled.

"The whole time, we never breached our five-day lead times, our fill rates were north of 99%, and our overall responsiveness to our customers' needs—from sales to technical service—remained at very high levels," he says.

With its new management team in place, there is

no doubt that FMI Products is much stronger today than it has ever been before, and it has a much tighter bond, as an organization. "John, Glenn, and I have established a value system within the company that is very important to us," Klein says.

The main theme of the value system is that character counts, and it centers on how people treat one another. "The camaraderie at our company is amazing, and it is reflected in everything we do, from manufacturing to serving our customers," Klein explains.

He adds that the operation has become incredibly nimble because corporate bureaucracy doesn't exist at FMI Products. "Our time is spent focusing on our customers and our products, not mired in layers of bureaucracy. Our customers have my direct phone number—so they can call me with any issue, and I'll take immediate action," he says.

PRODUCTS THAT MATTER

With everything that has transpired, the organization is adding to its history of creating great products. It has always considered itself to be a business that goes after niche categories with innovative products, such as its original mosaic masonry fireplace (which reinvented the wood-burning fireplace), its EPA open-face wood-burning fireplaces, and its precast masonry surrounds.

"We look for product niches that not only are unique, but that have universal appeal in the mar-

ketplace, so we can move volume. It allows us to take advantage of opportunities when they present themselves," Klein notes. Right now, the company is developing a line of ethanol fireplaces that will debut sometime in 2011.

For 2010, FMI Products is excited to introduce a number of new products. These include the Devonshire, which is part of a line of clean-face, direct-vent fireplaces by Design Dynamics; modular masonry fireplaces, called Grand Meridian, that are an FMI branded product; a contemporary direct-vent fireplace, the Crystalline; and a number of innovative gas logs.

FMI has also upgraded its hugely successful mosaic masonry fireplace as part of its complete line of mosaic masonry products, primarily branded as FMI. In addition, the company has launched a new green product family, PureFire, starting with a wood-burning, open-face fireplace that is EPA phase 2 compliant. In the next few years, FMI plans to add a line of eco-friendly green hearth products to the PureFire family as well.

As the company enters its second year, Klein has no doubt that customers will see FMI Products as the easiest, most customer-friendly company to do business with, and that the company, above all, makes hearth products that people want. "We are really just a company full of fireplace people who love what we do, and we hope that it shows," he says. ■