

Whipping a family-run business into shape - How a Sterling firm learned to act like a billion-dollar biz

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The Erickson family credits a group of volunteer retirees with helping them realize their mom-and-pop company doesn't have to be a multi-billion-dollar corporation to run like one. Perhaps successful is as successful does. Now that the Groundwater Supply Co. Inc. of Sterling has been working with the Service Corps of Retired Executives, SCORE, for about four years, they've seen their annual sales climb from \$300,000 or \$400,000 to \$5 million. The Ericksons are set to have a grand opening for their new, 6,000-square-foot office and next-door warehouse within months. Both buildings will be full of the wholesaler's products. Groundwater sells a wide variety of drilling equipment for use in water well drilling, geotechnical drilling for core samples from deep within the earth, and environmental drilling.



Efficiency first

But moving to new digs isn't the only change Groundwater has made. The old, familiar, informal way of running the family business has been replaced by an efficient, effective, strict business plan. SCORE showed Groundwater "how business goes day-to-day, and how you come into competition," said Gary Erickson, who has worked in the drilling industry since 1972 and started Groundwater in 1992.

Groundwater Supply is every-inch a family-run business. From left are Gary, Robert, Dianne and Edwin Erickson. "We don't really have the expertise, or like a chain of command like the military," he said. "(SCORE) gave us some kind of guidelines, the way businesses operate, the procedures, the obstacles you come up against, and how to avoid the pitfalls." The Ericksons took the ball and ran with it. According to Burt Siegal, a volunteer SCORE counselor, Groundwater is his biggest success to date. SCORE is part of the U.S. Small Business Administration, and is staffed entirely by volunteers like Siegal. There are 32 counselors in SCORE's Worcester office. Siegal helped Groundwater make improvements to its inventory system, its accounting system, and its job descriptions, and also showed the Ericksons how to communicate more effectively with each other, helping the company vastly widen the number of products it sells. SCORE also hooked Groundwater up with Commonwealth National Bank, which provided \$800,000 in financing for the company's recent onslaught of improvements. Groundwater is run by husband and wife Gary and Dianne Erickson along with their four sons Edwin, Robert, Andrew and Kenneth, who heads the company's brand new Florida division, United Drill Supply.

Economic backbone

"I wish more people knew about SCORE," Gary Erickson said. "Because the mom-and-pops, they're the backbones" of the economy, but don't know how to break out of the often haphazard way small businesses are run. "It's nice to have someone to let you know if you're doing the right thing," said Dianne Erickson. And during the last few years, it appears as if the Ericksons have been doing nearly everything right. They've beefed up inventory, because as Gary Erickson said, "You can't sell off of

empty shelves. And when somebody needs something yesterday, you don't want to tell them it's eight weeks out." They also included a small showroom in their new office's lobby. When customers come in, they can see a number of the products Groundwater sells. And the number of products Groundwater sells has grown. Now, products supplied by Groundwater can be found in Africa, the farthest reaches of Canada, the Virgin Islands and across the United States. "It's been an unusual year," Gary Erickson said, "but our (product) diversity has really helped us a lot. We just made a huge sale, a huge order to Bath Iron Works" in Maine. Siegal said his next step with Groundwater would be to increase their marketing efforts. The company already has half-page color advertisements in big, national drilling trade magazines.

True to its roots

But the new buildings, the ads, the streamlined business practices and the new product-stocked lobby, and all the shipments to customers around the world don't mean Groundwater is any less a family-owned business. Gary Erickson said he stresses operating in good faith, and earning the trust of his customers. The Erickson brothers can still be found making emergency repairs to customer equipment late into the night in order to have it ready for work early the next morning. "It makes it so people buy from people, not just from a company," Gary Erickson said. And if Gary and Dianne Erickson have it their way, Groundwater will be run by the Erickson family far into the future. They've got 11 grandchildren, and the company is theirs if they want it.

www.groundwatersupply.net