

## Inside the new Trulite Glass & Aluminum Solutions

President and CEO Jeff Leone shares his view on what the future holds for the company's employees, customers and vendors



**Glass Magazine:**  
**How did you settle on the Trulite name?**

**Jeff Leone:** We assembled three [companies] that were operating under different identities in the market. We needed a new name and had to come up with something that would capture our new identity. Someone suggested Trulite. We understood that there was some heritage with that name, as the company Trulite in Canada was acquired under Arch several years ago. However, that was not the reason we selected the name. In the end, we settled on a list of names and

had our employees vote. There was a consensus and [Trulite Glass & Aluminum Solutions] became the new company name.

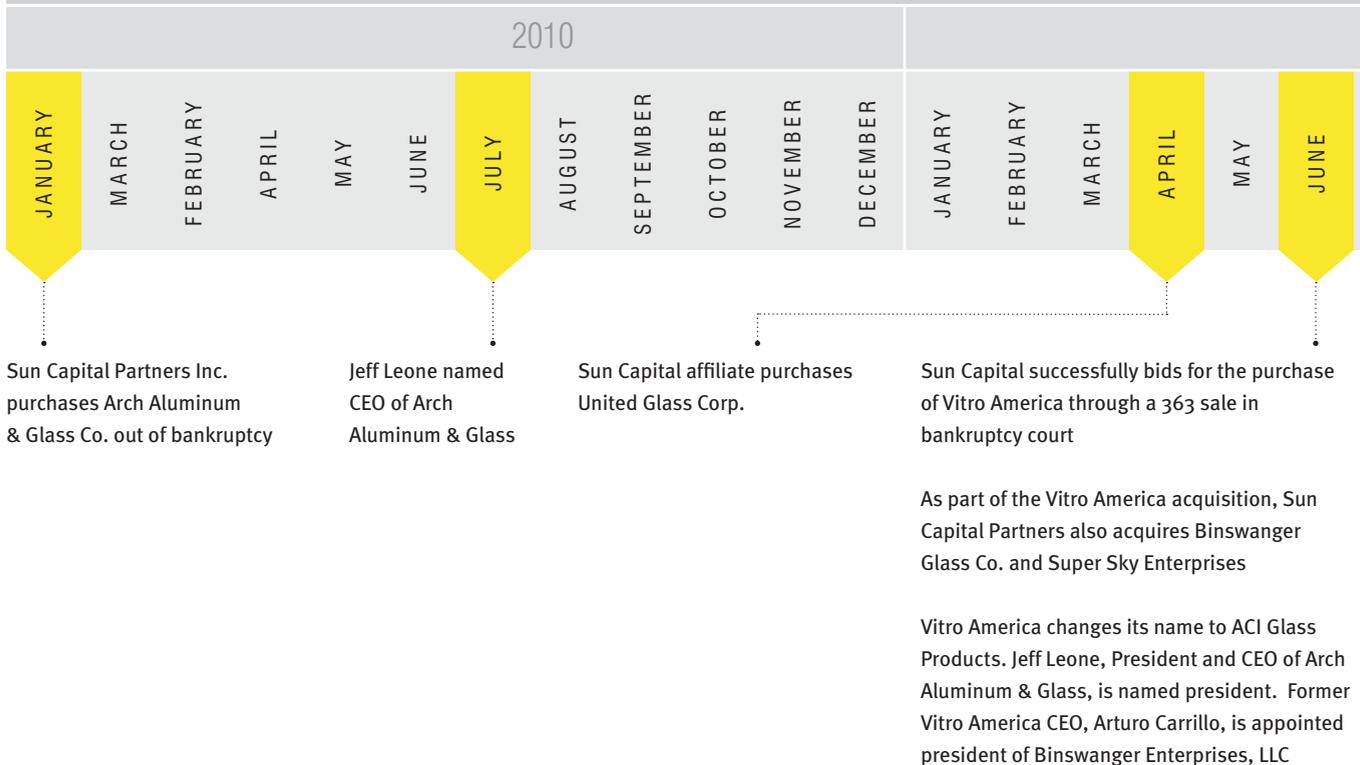
**Arch and Vitro have been through the proverbial grist mill in a sharply declining business environment. How do you plan to repair the damage done in the wake of these last months and turn things around?**

**JL:** First, we have to focus on what the customers care about. The customer cares about quality of product and that it arrives on time. That is what we are all about. We're taking orders, processing them professionally and ensuring that there are no problems when

customers go to install products. We are tracking each step of the process with data and metrics.

We have looked at many different companies in acquisition mode, and very few (less than 10 percent) measure their processes and track with data. You have to track orders. You have to know how many orders are shipping on time, how many are not shipping on time, and why. And you measure quality through a data-driven process. When you have the data and a process-driven culture, you are able to easily see what parts of the process need improvements and make them. We essentially have a SWAT team that comes into locations, identifies problems, shares best practic-

### Trulite Glass & Aluminum Solutions: A timeline



es and leaves it to the local operator to run it. That's how professional manufacturers do it, and we are starting to do this.

In looking at the overall market challenges, none of us sitting here in mid-2011 can feel confident about a lift in the market. The market is not going to rise and solve all of our problems. It's a pretty dismal construction market, and we have to plan for that and operate accordingly. We have to operate with realism. Customers in this market are focused on the price you charge, lead times, and the quality of product. We need a reliable infrastructure to support the customer.

**How will you handle location and staff redundancies across the three companies?**

**JL:** There is good news and bad news on this front. When you combine three companies in the same industry space,

many times there are locations within 10 miles of each other. We are in the process of closing sites, and we are making our selections based on location and the cost to run the location. We will have fewer total sites than the three companies had on their own, but we will cover the same geography—our

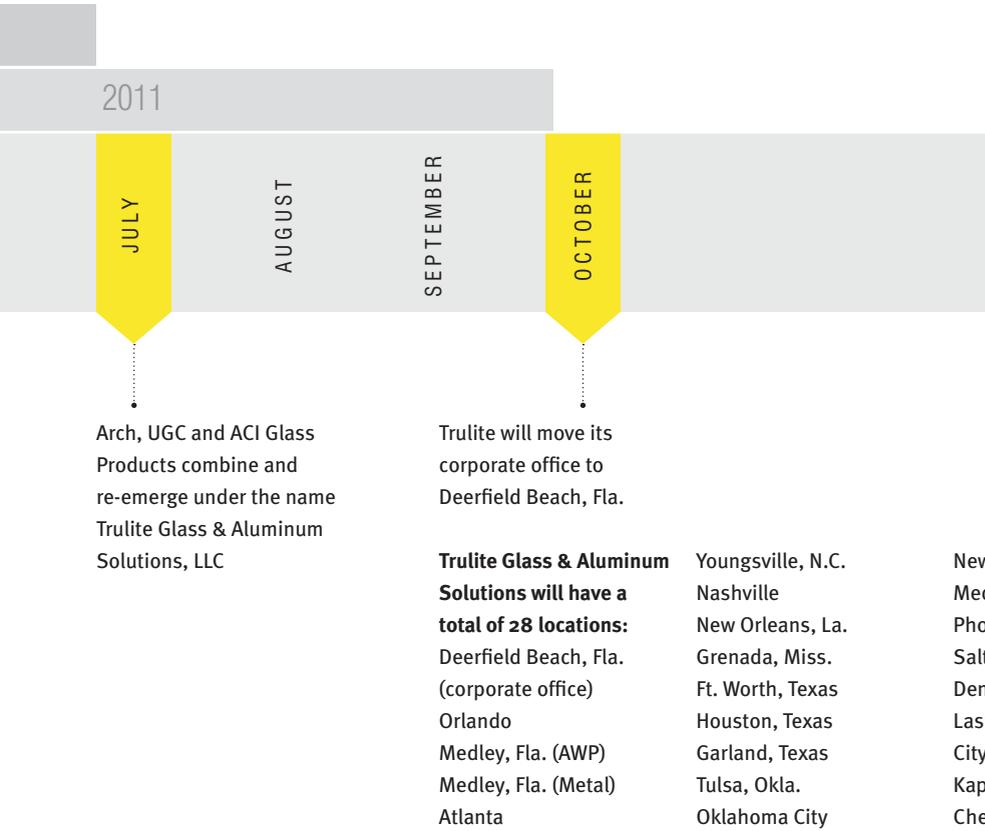
news is that we will have the best team at the end of the day, but there will be fewer jobs than there were at the three individual companies. We will pick the best people from each site. When you look at the leadership at the locations, it will be a mix—we will have Arch, UGC, and Vitro people.

**We're always looking at potential acquisitions. We're trying to make this company a significant player in this industry, and there's obviously more that can be done.**

customers will still have the same coverage.

Regarding personnel, we have a very rigorous [human resources] policy and a very professional vice president of HR doing assessment of teams. The good

All of the decisions described have been made, and the whole consolidation will be done in a couple of months. In the end, the customers will get a strong financial platform, increased reliability, and the service should be the same or better.



## Closer look

### Is the goal to make Trulite healthy and sell? What is the long-term plan?

**JL:** Sun Capital Partners, the financial investor, is a private equity firm

to make them healthy. If you're going to sell a company, you can't sell it without a proven track record—you have to prove you're running a solid enterprise.

### Combining the three companies under Trulite gives us a strong financial counterweight to some other suppliers. Our customers have an increase in competitiveness with a strong player like Trulite.

involved in industries. Currently, there are 89 companies it operates. The average time for companies to stay within Sun Capital's organization is 7 years. This is not something that's a three-month process. We need to transform the companies. However, those of us running the companies need

So, our long-term plan is to build a healthy company, one that creates sustainable jobs over time and makes customers delighted with our service.

**Establishing credibility with customers and vendors alike is a priority for any company; what is your credit**

### policy going to be and how do you intend to pay your bills?

**JL:** We don't have debts to our vendors. I'm a BASF guy, and it's part of our training to pay our bills on time. We want to be very reliable. These are not short-term relationships. Our vendor-partners, primarily the glass manufacturers (Guardian, PPG, and Pilkington) and the large metal suppliers have been supportive and are all true partners.

In terms of our customers, I believe we have established credibility—our numbers show it, in terms of sales. We're working every day to prove ourselves to our customers, and making sure the team doesn't become complacent. In this market, none of our customers have any cushion. We have to deliver faster. Additionally, we have maintained a lot of employees that have relationships with customers. Just because the company has changed, a lot of local contacts haven't changed.

Some people have expressed worry that consolidation of Arch, Vitro America and UGC will mean a loss of competition, particularly in the Southeast, resulting in supply and pricing issues. What do you say to those skeptics?

**JL:** We understand their concerns, but it would have been a worse situation for the customers if these companies had gone bankrupt. Combining the three companies under Trulite gives us a strong financial counterweight to some other suppliers. Our customers have an increase in competitiveness with a strong player like Trulite.

Additionally, I would say that not anyone in the market is big enough to set pricing. It's a competitive industry, and I don't think the customers have lost one ounce of competitiveness.

**What are the top three challenges Trulite faces in the immediate future?**

**JL:** 1: Bringing three companies together. While working on integration, we need to make sure that we don't lose sight of what's important—service to customers. We don't want to become so inwardly focused. We want to ensure that everyone worries about the customer first. The customer's phone call gets answered first, every time.

2: Physically completing the integration. This is not a small task, and is something that has to be carefully managed. We need to make sure we have timelines and people in project management.

3: Merge the cultures of the three companies. We're creating a new culture that is a little more challenging. We're taking the best from the old companies and building a new company where 1+1+1 is more than 3—it's 5+. We have to work hard [to ensure] that we take the best and leave what's not good behind. And we'll take ideas from some other industries to make us better.

**Drawing from your diverse background, do you believe the glass industry is different than any other market or business? Why or why not?**

**JL:** My background is chemical industry and the auto industry, which are both very process driven. The construction industry lacks a lot of precision when it comes to plant operational excellence. Other industries are more mature. Our industry, because of this depression, has to come out with a different mindset than when it went in. We have to tune up and change the way we think and address the customers' needs.

**Are more acquisitions on the horizon? If so, what are you looking for?**

**JL:** We're always looking at potential acquisitions. We're trying to make this company a significant player in this industry, and there's obviously more that can be done. It's an active process, and we are looking around and visiting companies that we might want to bring into the Trulite family.

**What do you see as the company's biggest opportunities?**

**JL:** The market will improve at some point. If we can take this time when it's slower and get our processes wired and in line, we're going to be the ones to take advantage of the rebound. This is a tremendous opportunity, and it factors into our investments. When the market improves, we will have a very profitable company that delights the customers.

**Is there any additional message you want to send to Trulite customers and vendors?**

**JL:** We'd like to ask our customers and vendors for feedback. Our customers have been pretty open with us—they are willing to call me, and send e-mails. But I encourage even more feedback. If you don't agree with what we're doing, or if you have a negative experience, please let us know. We're on a mission to create the best company in the industry in terms of providing great quality products on time. 

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