

## Offering Floor Pads, Mats And Related Janitorial Supply Products



# Celebrating 40th Anniversary

**F**orty years ago **James Ronese** saw a great opportunity to increase his business as a traveling salesman in the janitorial supply industry. He started selling floor pads known as “seconds,” which meant they contained some type of blemish or mark but otherwise worked fine. Along with providing the customary cleaning chemicals and other supplies of the day, Ronese offered these floor pads to his customer base with great success.

March forward to 2009 as the company Ronese began — **Americo Manufacturing, of Acworth, GA** — is today a prime manufacturer of a complete line of top-quality floor pads — a long way from the “seconds” of 40 years ago.

Americo also produces indoor and outdoor floor matting and many related items to the janitorial/sanitary industry. The company is now led by James Ronese’s two sons: **Americo President Richard Ronese** and **Vice President, Matting Division David Ronese**; as well as his son-in-law, **Americo CEO Leonard Shutzberg**.

As Shutzberg explained, once James Ronese started offering floor pad “seconds” to his customer base in the late 1960s, it was hard for him to keep these items in stock.

“He started selling more ‘seconds’ than he could purchase. The manufacturers that he was buying from started to make ‘seconds’ just for him, and soon thereafter, Jim realized that he probably needed to gain better control of his supplies,” Shutzberg said. “He soon bought a production line and started making floor pads himself.”

With this action, Americo was off and running and began to produce other types of products as well, such as floor matting.

“Today, we make industrial and anti-fatigue matting, which includes products that are customized,” Shutzberg explained. “Americo can provide matting that features logos for the ad specialty industry, various corporations and distributors.”

After 40 years in business, Americo now ships products to all 50 states and approximately 60 countries. The company remains a true American manufacturer, with two production facilities located in the Atlanta, GA, area. This includes the company’s headquarters in

Acworth and at a nearby facility in Cartersville. Americo also operates a distribution facility in Los Angeles, CA, where U.S. customers located west of the Colorado River are supplied.

“Overall, we manufacture many different products

have undertaken, going back eight years, is our environmental sustainability products that allow us to truly be ‘green’ as a supplier.

“Our floor pads are today manufactured from 100 percent recycled fiber. It’s something we have been doing for several years, so it’s not a new initiative but an area where we have felt compelled to satisfy for quite some time. We knew this was feasible and the best thing for Americo and for the marketplace.”

To fully satisfy its focus on being a manufacturer of environmentally friendly products, Americo also only uses water-based latex resins during its product binding process. The company doesn’t use phenolic resins or solvent-based solutions, but rather chemicals that are considered more environmentally friendly.

The 100 percent recycled polyester fiber Americo uses in manufacturing floor pads, hand pads and utility pads contains a minimum 80 percent post-consumer waste. Primary sources of these materials are recycled soda and water bottles.

Americo is green in other ways. For example, all shipping cartons contain at least 45 percent recycled materials; the company’s in-house water treatment facility has reduced waste water flow by 83 percent; new multi-million dollar state-of-the-art equipment has been installed, increasing energy efficiency by more than 30 percent; and Americo’s manufacturing plant operates under an Environmental Protection Agency (EPA)-approved clean air permit.

Richard Ronese explained that Americo’s focus on being a greener company is in response to a growing demand being felt throughout the jan/san and other industries worldwide.

“This includes not just distributors but end-users, building service contractors and facility service providers. They are looking for greener solutions,” he said. “Many people are seeking solutions that are environmentally friendly, and I feel Americo has helped fill this gap.”

Shutzberg added Americo has been ahead of the curve when it comes to implementing a green position.

“We have been green and embraced green practices before it was fashionable. Quite frankly, we were doing



*Pictured left to right, Richard L. Ronese, president; David M. Ronese, vice president matting division; and Leonard S. Shutzberg, CEO.*

that satisfy several industries. Our biggest business, however, and the way we got started 40 years ago, is with the production of floor pads,” Shutzberg explained.

He added that a major benefit for those customers in the jan/san industry is with the company’s ability to

**“One of the most important initiatives we as a company have undertaken, going back eight years, is our environmental sustainability products that allow us to truly be ‘green’ as a supplier.”**

*— Americo President, Richard Ronese*

bundle such products as floor pads and matting together, thus allowing Americo to ship these items in the same container.

Americo President Richard Ronese added: “We offer a host of products designed for floorcare. This includes a full range of floor buffing pads to satisfy everything from high productivity stripping to burnishing; along with floor mats, hand pads and sponges. I would say one of the most important initiatives we as a company

it because we felt it was right for the environment," he said. "We believe Americo is now the greenest floor pad company in the world."

Customer demand for environmentally friendly products continues to grow, such as various school systems that now mandate the floor pads used at their facilities to be quoted based on 100 percent recycled material.

"Quite frankly, one of our customers came to us and said, 'I know what you are doing (with a focus on green). Why aren't you promoting it? Your company is the greenest company in the world,'" Shutzberg said. "It took one of our customers to properly explain to us that we have something that can be perceived as an advantage in today's marketplace."

Americo completed the installation of a new, state-of-the-art floor pad production line last year that Richard Rones said is helping the business produce the most consistent, finest quality products on the market.

"This is also allowing us to further push the green initiative. For example, the gas and electric consumption from this new production line is far less compared to some of the older technology," Richard Rones said. "It allows us to produce a more uniformed, consistent and greener product into the marketplace that competes and performs as well as any other item in this category."

He added that there are several factors that have helped Americo separate its products from the competition. This includes the company's green initiative, a loyal work force and Americo's dedication to build strong relationships with top-to-the-line distributors.

"When we bundle all of this together, it provides a compelling reason for any distributor to give us serious consideration for future business," Richard Rones said.

#### Anniversary Makes Company Proud

Viewing Americo's 40-year history as being a wonderful milestone, Richard Rones is quick to point out that it's due to the company's dedicated work force and quality customer base that this anniversary is possible. He added that the thought of being in business for 40 years "is near and dear to my heart as I grew up in this business."

"Since my father was the founder of the company, I have been a part of Americo and (the jan/san) industry from a young age," Richard Rones said. "What's unique about the industry is that being around for 40 years is not that unusual. While 40 years is a nice amount of time to be in business, in our particular industry, a lot of companies have been around longer. This speaks well for the jan/san industry as a whole."

He attributed several reasons for Americo's longevity, not the least of which has been the loyalty of the company's employee base.

"I have been with the company full time for 22 years but I don't have seniority. There are a lot of employees who have been with our company longer," Richard Rones said. "I feel anytime you have a business where there is a low turnover and employees who stay around for a long time, it really speaks to the quality of the overall organization."

Shutzberg added that Americo is the largest privately-owned company in the world to manufacture floor pads and routinely competes against public entities.

"Although this is one of the most difficult times that I have been involved with in running a company due to

today's economy, Americo's success tells me we are doing the right things," Shutzberg said. "Americo is enjoying some of its biggest years right now and the company continues to grow. Timing is everything in this business."

Americo officials take pride in the business being a market leader and working hard to improve productivity. In other words, resting on the company's laurels is not an option.

"We come out with new products for new applications as the market evolves," Richard Rones explained. "Our view of the company is one of being leading edge and developing products and services that not only meet the needs of customers and end-users, but actually exceed these needs."

To help with new product introductions for the jan/san industry, Americo officials keep their eyes and ears open as to what customers are saying. Working on building close relationships with manufacturers of hard floor equipment and chemicals is also paramount.

"We have to constantly evolve as a company to meet the changing needs of the floorcare marketplace. When manufacturers of equipment introduce new machines, they will frequently contact us. We have relationships with most of them, and work to develop a new pad or recommend which current pad is best suited for a new piece of equipment. The same is true with new floor finishes. Working with chemical companies and distributors remains very essential," Shutzberg said. "At Americo, we have a quality control lab in place that will test new equipment and finishes, making recommendations as to which pads work the best.

"We also must be aware of changes taking place concerning how new structures are built and the type of floors these structures now have in place."

Despite changes in the marketplace when it comes to floorcare, there are "old standards" that remain as popular and in demand today as when they were first introduced.

"The red, white and black floor pads that we offer continue to be used at a high rate to maintain floors. No matter what new products we come to market with, 80 percent of our business still is from these ubiquitous standards," Shutzberg said.

#### The Value Of Distributorships

When it comes to floor pads, matting and other items, Americo primarily sells through distribution. This includes distributors involved in jan/san, restaurant and/or foodservice supply.

"We also sell to wholesalers as they perform a very valuable function in filling orders for the smaller companies that can't purchase in large quantities," Shutzberg said.

End-users who ultimately find themselves relying on Americo's jan/san products include building services contractors, contract cleaners and various types of "mom-and-pop" companies — anywhere there is a hard surface floor that needs to be maintained by a machine using floor pads and/or rely on floor matting to help keep that floor in good shape.

"The nice thing about our business is that the manufacturing process of making floor pads lends itself to making other products as well. Therefore, we have diversified and are involved in seven to eight different types of (industries), all using the same manufacturing process," Shutzberg explained.

A major part of Americo's success over the past 40 years is the company's ability to maintain a solid relationship with its distributor base. As Richard Rones stated: "If you don't know your distributors and spend time asking questions to understand what their needs and desires are in the market, then your chances of providing them with products and services they need are not very good.

"We always feel it's critical to develop strong relationships with distributors so that the business channel can work both ways. It's not a one-way channel where we just make products and they either buy them or not. Instead, Americo is making products that distributors are looking for and need to help their (end-use) customers with labor savings and improved floorcare performance," Richard Rones added.

Americo strives to help its distributor partners sell a better overall system as it pertains to floorcare.

"I think one of the reasons our business has grown, tripling its size in the past seven years, is by valuing the distributor relationship," Shutzberg said. "There are other companies that sometimes circumvent the distributor relationship and try to sell to the end-user. We feel, however, that while some people buy floor pads as a commodity, it's still a specialized business. Americo manufactures 50 different types of floor pads. We make every pad for every chemical and every floor machine — we sell a system. This often requires demonstrations and knowledge.

"There are people who just buy on price, but many others who use a certain machine or a certain solution truly want to know what is the best product for their floors. We offer this type of value-added service. This is very important for our company."

To further aid the company's distributor customer base, Americo officials work to help provide a wide scope of training options.

"We at Americo are always calling on existing and potential customers. Although there will be those people who just want to know what the price of an item is, sometimes they require a little more work in order to understand the importance of using quality floorcare products," Shutzberg said. "Americo is competitively priced, however, while offering world class solutions. We have invested in new production equipment and machinery in the past seven to eight years, using some of the most state-of-the-art equipment in the world to produce our products."

Americo also relies on sophisticated logistics in the shipping process, again embracing technology to its fullest throughout the organization to gain a competitive advantage.

"Our turnaround times are the fastest in the industry, and I feel our products are certainly competitive, if not superior, to the competition," Shutzberg said. "With the advent of technology, there are now things that can be done to systematically bring solutions to the marketplace. This is to the benefit of Americo and



Americo Manufacturing founder, James Rones

its customers. People really enjoy doing business with our company. It sounds like a cliché when a company says it offers excellent service, but I feel in Americo's case, this is true.

"Sometimes people undervalue the difference between good and bad service. There are companies



**Americo manufactures a full line of floor pads, and floor matting, including indoor/outdoor entrance mats, anti-fatigue matting and imprinted matting.**

where the product is made in one location and customer service is located in another location. This is not the case with Americo. I've traveled all over the world and no matter where I am, people tell me, 'You are the easiest company to do business with.' I truly understand why (Americo) has enjoyed its success. We don't undervalue the benefit of providing quality customer service."

According to Shutzberg, the jan/san industry remains very much a place where relationships are highly valued. It helps that Americo has enjoyed the same leadership structure over the years and remains loyal to its customer base.

"At Americo, we get to know our customers personally. We also get to know many of their families. This makes a big difference," Shutzberg said.

Relying on a strong employee base is also critical. Some of these employees have been with Americo almost since the beginning when the company was originally located in the downtown Atlanta area. After the company relocated to Acworth in 1981, several of these employees followed Americo while remaining residents of Atlanta. Acworth is located on the northwest fringe of the metropolitan Atlanta area. Today, those employed at Americo live in many regions throughout northwestern Georgia.

"What many of our employees have told us over the years is that Americo treats them with respect and appreciates their value. Our employees are the company's best asset," Shutzberg said. "It's important to treat employees as partners in the business. We constantly empower them to help improve our company's processes, and they, in turn, are rewarded with bonuses and profit sharing. Profits at Americo are reinvested into the business."

#### Heading Toward Another 40 Years

**A**ny company that has remained in business for 40 years has experienced its share of ups and downs. Despite challenges that are part of any landscape, Americo is currently in an "up" cycle. According to Shutzberg, the company has recently enjoyed some of its most productive months and years.

"However, it's also been more challenging because we work in an environment of volatile raw material costs. These challenges require us to constantly improve our processes and efficiencies," Shutzberg said. "Americo has significantly invested in new technology and must have a good return on this investment. What makes it difficult is that we have to do more for less — but we do so by growing the company both organically and through acquisition. Americo purchased a company in 2007 and we are currently completing another acquisition. It's important to continue to grow the business.

"By adding other companies, we also bring in added talent and use these synergies to help us grow."

Richard Rones explained that business for his company remains stable as the jan/san industry is somewhat recession proof.

"Buildings are still cleaned in both good as well as bad times, although there has been constriction in the market. There are not as many buildings being occupied right now, and those buildings that are occupied most likely have had their cleaning and other budgets cut. They are having to make do with fewer resources," Richard Rones said. "While this has impacted business, it has also created opportunities. Where in the past there has been some resistance to change, if we can now show more distributors and end-users ways in which they can save on labor costs, then we can benefit as a manufacturer."

Shutzberg agreed and added: "What is changing is that more people are looking for products that feature durability and reduce labor. These are the innovative solutions that we, at Americo, have helped bring to the marketplace.

"People still need to clean, but with the current economy, they have started to order smaller quantities. However, Americo has enjoyed its biggest June and July in the history of the company. It's hard to explain all the things that are factoring in and influencing our business, but we must be doing several things right. Americo is a family-owned business. If there is

minimal disfunction in the family and there are great employees — both of which are the case at Americo — then such a company can thrive. It's always fun to have success. Our customers appreciate that we have been able to come in and do some things that other companies haven't been able to do. They have stayed with us in return."

According to Shutzberg, "switching costs" are very large in the floorcare business. It takes a long time and is risky to switch a floor pad supplier.

"If a person starts to use another company's red pad, for instance, and all of a sudden it doesn't work as well with their equipment or finish, then it's a real problem," he explained. "Like I mentioned earlier, this is not so much a commodity-type business as some people may initially believe. We work hard to win the respect of our customer base."

Richard Rones, who is also active in the jan/san industry by serving on the ISSA Board of Directors as secretary, feels Americo remains a unique company.

"I know there are a lot of companies with a lot of history, but Americo remains very strong due to the way it has operated and through its value system," he said.

Richard Rones also feels optimistic about the future of the jan/san industry as a whole. He believes the products and services this industry provides will not be overlooked as the need to clean becomes stronger every year.



**One of Americo's current state-of-the-art production lines.**

"Having said that, only the strong will survive. The companies that are well run and can deliver products and services that satisfy what distributors and end-users are ultimately looking for ... these are the companies that are going to succeed.

There may be a different makeup of companies, products and services in the future, but the jan/san industry will continue to do very well," he added.

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