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the ELECTRICAL DISTRIBUTOR

LEADING THE CHARGE

CRESCENT ELECTRIC SUPPLY
MAKES A POWER PLAY IN THE EV CHARGING MOVEMENT

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Joe McDermott
CHICAGO DISTRICT
MANAGER

Dan Hill
VICE PRESIDENT,
EAST REGION



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LEADING THE CHARGE

"STRONG, SILENT" CRESCENT ELECTRIC SUPPLY MAKES A POWER PLAY IN THE EV CHARGING MOVEMENT.



Dan Hill (right), vice president, east region; and Joe McDermott, Chicago district manager, with an electric vehicle charger and a Chevy Volt

Story by Susan Bloom
Photographs by Mike DeFilippo

If you ask Crescent Electric Supply Vice President of Marketing Bob Settle to describe the company he works for, his response will be a mixture of extreme pride tempered by an inherent degree of modesty.

"It really boils down to Midwest values," he said of the 92-year-old distributorship's approach to doing business. "If you polled our customers, they'd say that we're easy to do business with, have high ethical standards, and are very trustworthy." Settle would probably also characterize Crescent as a bit of a quiet giant. "We're very well known at the local, grassroots level, but probably few people realize how large a company we are," he said. "We're understated, but we get the job done."

Headquartered in East Dubuque, Ill., Crescent is indeed a force to be reckoned with. A privately held entity founded in 1919 in Dubuque, Iowa, by the Schmid family, Crescent currently has 1,500 employees and 120 locations in 26 states, mostly in the upper two-thirds of the country. Focused largely on the commercial construction, industrial, automation, and datacom markets, the company is consistently listed among the top 10 electrical distributors in the United States with respect to revenues.

AN ENERGY SOLUTIONS FOCUS

Crescent has traditionally been an aggressive player in the lucrative energy-efficiency and energy solutions segment—providing free energy audits to customers to show them the magnitude of their upgrade opportunities; driving their share of the energy retrofit market with products such as lighting, controls, power factor correction, and high-efficiency motors, drives, and pumps;

bringing the first LEED-certified building online in Davenport, Iowa; and recently delving into new renewable opportunities including solar and wind. But for Crescent's management team, being good just isn't good enough.

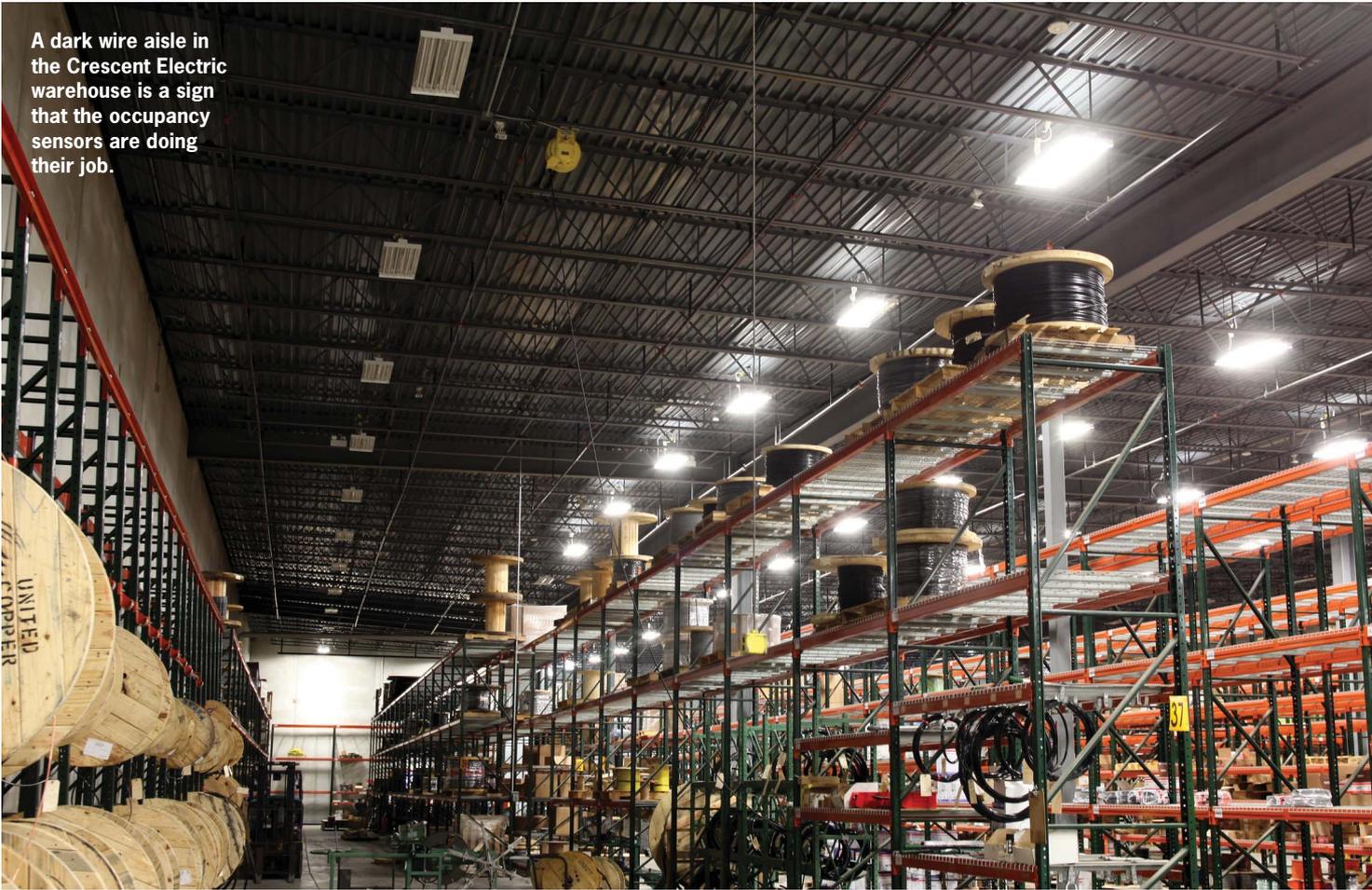
"Today's fragile economy is aggressively driving cost management and, at the same time, technology is providing new solutions to manage energy costs," said Dan Hill, company officer and vice president of Crescent's east region, a role in which he's responsible for the strategic activity of more than 350 employees spanning 32 locations from Chicago to New York. "In this perfect storm of opportunity, we find our customers ready and able to invest in the latest energy-saving products and electrical infrastructure improvements like never before.

"Crescent is committed to company-wide, organic, year-over-year growth in each of our districts, and economic conditions of the past two years have forced us to become even more creative in our approach," Hill added. "In an effort to create and facilitate an entrepreneurial culture focused on growth and identify new sales opportunities by way of customer solutions, we're constantly polling the field and investing in our local teams' business plans. Our EV strategy was born out of this framework."

The EV strategy Hill is referring to involves Crescent's recent and aggressive entrée into the EV charging market, an arena to which, Settle noted, Crescent began paying serious attention in 2010, when it became clear that a great deal of interest and public awareness was mounting around electric cars following the technology's boost from early government funding.

"Crescent is a conservative, Midwestern company that's been in the

A dark wire aisle in the Crescent Electric warehouse is a sign that the occupancy sensors are doing their job.



energy business for a long time but hasn't branded itself loudly. We have a lot of talent and resources in place and saw our EV strategy as a sound investment in an emerging market, which could help position us for new growth and create more corporate awareness," Settle said.

TAKING A LEADERSHIP POSITION

According to the DOE, EVs are those that are propelled by an electric motor (or motors) powered by rechargeable battery packs. Electric motors offer a number of advantages over internal combustion engines, including a high degree of energy efficiency and environmental friendliness and an ability to provide smooth, quiet operation.

Though Hill and Settle acknowledge that initial estimates of 1 million EVs on U.S. highways by 2015 was optimistic,

the demand for EV chargers and related infrastructure will increase dramatically as the number of vehicles increases. According to Hill and Settle, experts expect that 1.5 chargers will ultimately be needed for every electric car sold, based on total residential and commercial/public installations. The two most popular charger types available today are Level 1 (120V) systems, which are primarily used for home installations, and Level 2 (240V) systems, which provide a faster charge and can be used for commercial as well as residential applications. There is also a Level 3 DC charger that will fully charge an EV in approximately 30 minutes; commercial availability of Level 3 chargers is limited at this time but is expected to increase as more manufacturers bring products to market.

"Level 1 chargers provide overnight charging at home, while Level 2 charg-

ers can provide a full recharge in three to four hours or one-hour refresher charges," explained Energy Specialist Bill Ebie. "These installations offer the municipal organizations or stores that provide them the loyalty of and traffic from EV drivers, in addition to a green company identity."

But Crescent sees sales opportunities beyond just chargers. "Charging station installations often include infrastructure improvements to support them, and these improvements fall into two categories: power distribution and computer networking," Ebie said. "Power distribution requirements include a dedicated electrical service for each station. In addition, computer network [LAN] hookups should be provided to broadcast station availability over the Internet to boost traffic, as well as for monitoring software, which provides support for marketing programs and reporting.



Top: The counter area features many energy management devices. Here, Counter Sales Representative Archie Gavin (left) demonstrates the features of a Square D Power Logic system to a customer. Bottom: Crescent Electric's warehouse serves as a training center for ways customers can save energy through various lighting and technical applications.

Crescent can supply all aspects of this system.”

CREATIVE MARKETING

Crescent began its initial foray into the EV charging market by establishing relationships with four primary suppliers of these systems—General Electric, Eaton, Schneider/Square D, and Leviton. According to Settle, the company priori-

tized its geographic approach to serving this market nationwide according to areas of high environmental awareness, such as California, as well as locations where EV manufacturers like Ford, GM, and Nissan were located and/or launching new products, such as Nashville, Tenn., the site of a Nissan factory.

“Taking these locations into account—along with the approximately 100

cities listed as members of the DOE's Clean Cities Coalition, we then overlaid Crescent's map of branch locations and identified 10 target markets where we felt we could match up demand for EVs and charging systems with our ability to supply,” Settle said. These sites included Bloomington/Normal, Ill.; Chicago; Dallas; Denver; Indianapolis; Kansas City, Mo.; Nashville; Phoenix; Portland, Ore.; and San Diego (with other locations to follow as the demand for EV chargers spreads, Settle noted). In each of those cities, Crescent determined which of its four suppliers to partner with and began planning events at strategic branch locations where it could showcase and demo the systems for customers and influential industry members as well as help train contractors and installers.

In that capacity, Crescent has outfitted several of its branches around the nation with charging stations for the purposes of providing hands-on training and demonstrating system operation to business owners and municipalities.

According to Chicago Territory District Manager Joe McDermott, whose branch in Rockdale, Ill., hosted Crescent's first special event around EVs and other specialty electrical equipment in September 2011, “We had a Chevy Volt on a live charge on display and any customer could drive it to see how it worked. We also had the contractor who installed it, a representative from Leviton, and one of our application engineers on hand to answer questions. We had great attendance by a range of high-quality, interested people—from owners of construction and contracting firms to public works people from local villages, etc. It was extremely encouraging because everyone who attended had a genuine interest in learning. We've given out several quotes so far.”

In Missouri, Crescent District Manager Marc Horner's two branches recently became involved with EV supply equipment and engaged in their own strategic activities. “We partnered locally with Schneider Electric and installed one of its stations at our facility in Kan-

Partners in arms

Crescent's suppliers are equally excited to be part of its EV initiative and educational team. Leviton Manufacturing (leviton.com), one of the company's four suppliers nationwide, launched its EVR-Green line of commercial charging stations in November 2010 and provides a full suite of EV charging solutions.

"Leviton has a strong commitment to training and education and, since the EV market is very new, we've been providing training for electrical distributors and commercial property owners across the country," said Melissa Martin, director of business development for the commercial and industrial segment. "We've found that everyone has been very eager to learn about the EV market, and we're regularly requested to speak at industry and sustainability events. We look forward to seeing more EV options introduced by automakers, to supplying all aspects of EV charging equipment to the market, and to continuing to partner with progressive suppliers like Crescent."



According to Mike Calise, director of EV charging solutions, Power Business North America for Schneider Electric (schneider-electric.com), "This is a sizable market for Schneider Electric to serve now and into the future. Today, the issue is not about generation or access to vehicles, but rather about infrastructure," he said. "Until EV buyers see convenient charging station options within their community, they'll be reluctant to buy EVs. The market is heating up very quickly and demand for charger infrastructure is on the rise. As a result, we see the partnership between Crescent and Schneider Electric as critical to helping contractors obtain the adequate supply in order to meet the market needs for EVs and infrastructure. Overall, we're getting excellent feedback from both residential and commercial customers on our EVlink charging stations and they've expressed satisfaction and happiness in their ability to do business with the combined strengths of two established leaders in the industry."

Michael Mahan, general manager, EV Infrastructure, General Electric (ge.com), is equally bullish on the potential for the EV opportunity. "We think this is going to be a multibillion-dollar market in the coming years," he said. "We view the EV market as a great unifying force that cuts across many of GE's areas of expertise—power generation, energy transmission and distribution, circuit protection, fleet leasing, infrastructure financing, and consumer products—and we're excited to be leading this industry now, while it's still in its formative years."

Eaton (eaton.com) currently collaborates with Crescent in Bloomington, Ill.; Dallas; Phoenix; Portland, Ore.; and Tucson, Ariz., where it "combines the best of Crescent's local presence and customer relationships with Eaton's EV charging products, services, and solid reputation in electrical power distribution," said Eaton's John Wirtz, electric transportation infrastructure business unit manager.

"Through this collaboration, which will include continued joint marketing and training initiatives throughout 2012, Eaton is helping to create the infrastructure leading to the adoption and expanded use of EVs. We're eager to provide our comprehensive solutions and service to Crescent's EV program and to support the communities where we do business," Wirtz concluded. —S.B.

sas City at the end of September," Horner said. "We also exhibited at the 2011 Clean Transportation Exposition in Overland Park, Kan., in October." According to Horner, "Our customers and community members have expressed happiness to see us in this market because now they will know where to come for information when they need to be educated."

"It's about sensitizing the market to this product and letting people know that Crescent is their partner," said Bill Albert, Crescent's district manager covering the Denver district of Colorado and Wyoming.

"We installed an EV charger in our Denver branch in fall 2011 and, while we haven't seen tremendous demand for this even though Colorado is a relatively green state, we've quoted on a couple of jobs and we're hearing more discussions surrounding this product and seeing greater marketplace acceptance of it as an option," Albert said. "There's definitely a role for this product to play and it seems customers are starting to warm up to the concept more and more. It's really up to us to plant the seed and help get the word out there. By doing that, we'll be able to differentiate ourselves in the market."

"Electric cars won't be everywhere overnight," McDermott agreed, "but they'll definitely be present for the next generation. Regarding Crescent's role in this ramp-up, EVs really speak to the broader concept of sustainability, not simply retrofits. All of it is really our business and so we have to be the educators."

THE LONG VIEW

Both Settle and Hill are well aware of the obvious challenges associated with the EV category, including the fact that demand for chargers will be limited by the growth, development, and introduction of viable EVs. Challenges facing EV manufacturers include range anxiety and vehicle cost (largely attributed to currently bulky battery packs). Range anxiety will be relieved, to some extent, as the infrastructure of EV charging sys-

tems expands and advances in battery technology promise to lower the cost and extend the range of EVs in the future. "This market is emerging in fits and spurts and it's really a game of patience right now," Hill said.

However, the company can speak to some impressive gains, most notably the request for 30-plus chargers from Eaton, which Crescent's Bloomington, Ill., branch recently sold directly to the town of Normal, Ill., for its electric car initiative, a campaign that has been featured in a light-hearted but highly publicized national television commercial and ad series run by auto manufacturer Mitsubishi. An additional order was recently received from the town of Normal for 10 more EV chargers, including one Level 3 fast charger.

"In our Eastern zone, we've sold EV chargers from Normal to Nashville and points in between," Hill confirmed. "Level 2 chargers have been the highest sellers of all models, although recently

we've seen a strong bump in quotations for Level 1 home chargers. And chargers are just one portion of the equation—the ancillary products required to bring the electrical infrastructure to code represent an additional opportunity," he said.

Settle, too, has clarity regarding the short-term reality but long-term potential of the EV initiative to Crescent. "We recognize that this is not an immediate sell and that it can take years to see momentum in EV sales," he explained. "However, we want to lead that process and be a resource center for our customers as well as a conduit back to manufacturers.

"It's been an outreach program for us and we've been hitting the conference trail and speaking at seminars and to municipalities about the benefits of the EV market and a partnership with Crescent Electric," Settle continued. "What we've been doing so far is evangelism—creating awareness of the resources

we have available so that we can help match up current and emerging EV technology with the municipalities, universities, businesses, and other customers that can benefit from it."

According to Hill, "Emerging technologies such as EV infrastructure will definitely play an increasingly significant role in our industry going forward. Early adoption is taking place now and we believe that government incentives that improve the financial practicality of EVs will continue to accelerate this market's growth.

"There's no question that EVs will become commonplace; the real question is, 'How soon?' As we see it, Crescent's ability to provide holistic energy solutions that include charging stations positions us as the best partner in these uncharted waters," Hill concluded. ■

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A Chevy Volt charges on a Leviton charging station at the Crescent Electric facility in Rockdale, Ill.