

GWD

Gases & Welding Distributor

JULY/AUGUST 2004

A PENTON PUBLICATION

Compressed Gas
Solutions, Inc.

**Solution-
based
sales**

Compressed Gas
Solutions, Inc.

1073
OXYGEN
REFRIGERATED
LIQUID

1073
OXYGEN
REFRIGERATED
LIQUID
DOT-E6299

**Also in this issue:
Robotic welding**



New Distributorship quickly gains customers

Startup's solutions-based approach and microbulk supply make for fast growth.



(l to r) Bob Fine, vice president, and Bob Leaman, president, Compressed Gas Solutions, inspect a CO₂, argon, oxygen, and nitrogen fill plant they designed and built for less than \$500,000.

Ron Lucas, managing editor

Compressed Gas Solutions, Inc., Orlando, has only been in business since 2002, but it already boasts 400 accounts and is adding more every day. "Last year we saw a growth rate of 8% to 10% a month," comments Bob Leaman, president. To win such new business, the distributorship combines a solutions-based approach to sales with microbulk-supply capabilities.

"With our vast experiences and knowledge of the in-

dustry, we have the ability to quickly respond to customer needs with the right solution the first time," notes Vice President and co-founder Bob Fine.

Leaman started in the gas and welding-supply industry in 1961, and Fine in the early '70s. Leaman owned Weldarc Inc., Orlando, for 14 yr, with Fine functioning as general manager. After Leaman sold the company, Fine became a successful corporate director for one of the national gas distributors. Now Leaman and Fine are back



**DISTRIBUTOR
PROFILE**



The firm offers its customers custom-engineered delivery systems that meet specific flow and pressure requirements.

together and are highly motivated to "do it again."

Once they decided to take the plunge, the team recruited finance manager Terrie Alexander, assembled a business plan, found financing, leased a building, and constructed a fill plant — all in less than three months. Today, the firm has seven employees including two dedicated outside-sales reps, and services a territory that extends across central Florida.

The corporation owns five trucks — including two heavy-duty pickups, an installation van, and two liquefied-gas-supply vehicles — and an oxygen-tank trailer for its microbulk-delivery systems. "We use these supply vehicles to pick up liquid nitrogen, oxygen, and argon from Air Liquide's air-separation plant and then service our microbulk customers as well as our own fill plant," explains Fine.

CGS maintains three 1,500-l bulk tanks for its high-pressure cylinder-filling systems, custom designed and built by Fine and Leaman. "We

plan to add specialty-gas and mixing equipment in the near future," confides Leaman.

Dedicated to gas

"It was always our objective to emphasize gas sales, which is the reason for choosing the company name and installing the bulk tanks and cylinder filling system before opening for business," asserts Leaman. Gas sales currently account for 75% of the firm's revenues. "For the other side of our business, we are a member of the Independent Welding Distributors Cooperative (IWDC) buying group and offer a full line of welding supplies and equipment to our customers and to stay competitive with the larger distributors," states Leaman. "But the intrusion of major retailers supplying welding supplies and equipment next to paper products and cleaning supplies made our decision to focus on industrial and medical gases and gas-related equipment even easier," corroborates Fine.

GCS supplies argon, nitrogen, oxygen, acetylene, carbon dioxide,

myth
Gas suppliers
are created
equal.

truth
Only CGS
focuses on the
total solution.

From supplying gases to custom-engineering your delivery systems, CGS uses a solutions-based approach to serving you.

Gases. We offer a variety for any industry—medical, industrial, environmental, biopharmaceutical and fabrication.

Solutions. We offer a spectrum of solutions, including design, installation, repairs, cylinder tracking, valve guards, telemetry, and cost-saving Microbulk systems.

Call us for your solution today!



**Compressed Gas
Solutions, Inc.**

Committed to the total solution!



1020 West Amelia Street
Orlando, Florida 32805
Phone: 407-425-5858

www.compgas.com
Email: bfine@compgas.com

The Orlando headquarters of Compressed Gas Solutions houses a fleet of five vehicles.



nitrous oxide, helium, mixtures, laser, blood and specialty gases, USP-grade medical oxygen, NF nitrogen, and its O₂GO medical oxygen system for emergency applications.

Service and installation

The company has a full-time person to install piping and gas-supply equipment. "We provide complete turnkey gas-delivery systems from manifolds to piping to regulators," says Leaman.

"We can take care of everything for our customers — design, installation, repairs, service and maintenance," expounds Fine. The firm also prides itself on services such as next-day delivery, cylinder tracking, and valve guards.

"We track our entire cylinder inventory by serial number using the Computers Unlimited industry-specific software system. Tracking these assets has always been a challenge for our industry, but with this system, we know how many cylinders each customer is charged with, the type of gas, and how long it has been in their possession. The detailed reports also provide the supporting delivery and invoicing information. This makes cylinder reconciliation at the end of a construction job, for example, quick and simple," testifies Alexander.

The firm has installed Weldcoa's valve-protection devices on all its cylinders as another service. "Opera-

tors remove traditional cylinder caps during operation, thereby exposing the valve connection and creating a potential hazard. But ours remain in place, functioning as safety devices during all phases of operation and transportation," explains Fine.

The devices provide other advantages as well. "We no longer have to worry about collecting for lost cylinder caps, and it speeds up the filling process since our people don't have to remove and replace the caps," says Leaman. "In addition, some cylinders have coarse threads and others fine threads. When a customer screwed on the wrong cap, we would have to beat them off with a hammer."

Targeting customers in a tourist town

Orlando is primarily a tourist

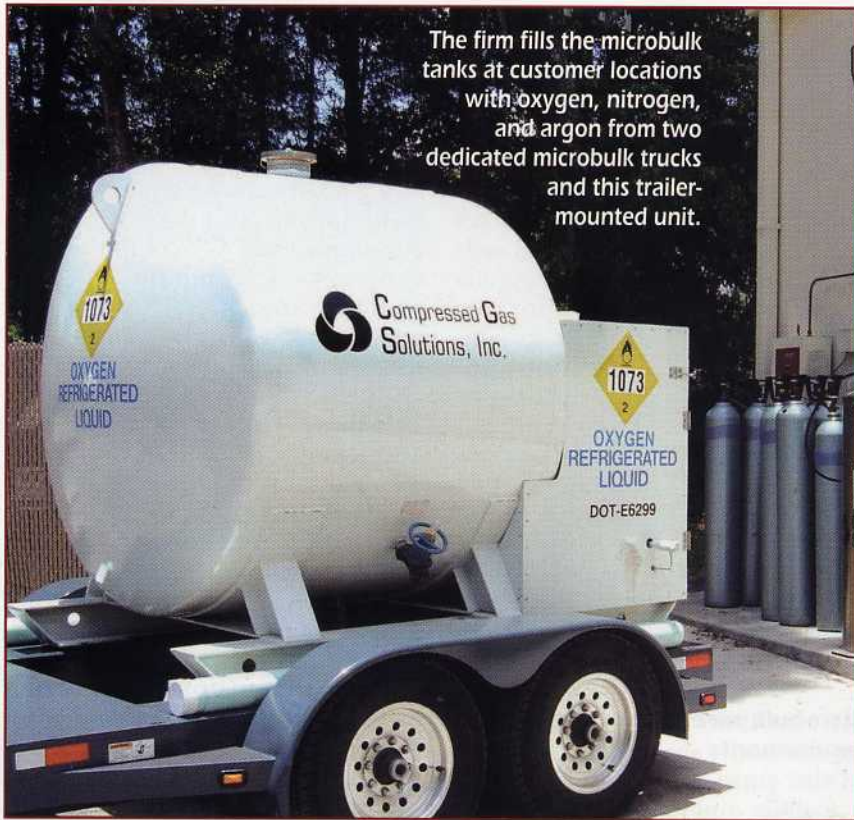
destination. "Tourism accounts for 80% of our market base, but the theme parks and ancillary support businesses all need our products and services," states Fine. "We stay flexi-



CGS's microbulk tanks come with a telemetry system that lets the company monitor liquid levels, schedule deliveries without customer involvement, and acquire data on usage patterns.



The firm fills the microbulk tanks at customer locations with oxygen, nitrogen, and argon from two dedicated microbulk trucks and this trailer-mounted unit.



ble and adjust our product lines accordingly," adds Leaman.

The company generates new business through word of mouth, cold calls, a website, and direct-mail brochures. "We create custom brochures aimed at niche markets such as dental offices, veterinary clinics, fab shops, and testing laboratories. We explain how these customers can install piping at their facilities to handle whatever gases they use to improve safety and turn this part of their operation into another utility," says Fine.

Cold calls still work the best, though. "Every salesperson knows you have to knock on the door and ask questions to find out what a company really does. But the great advantage to our business is its diversity and that nearly every company has an application for gas," states Leaman.

Selling solutions

The company uses its solutions-based approach to sell to a broad base of small customers including

hospitals, medical labs, laser-cutting facilities, environmental and military-testing labs, and fab shops. "In talking to customers, we quickly learned they wanted a distributor who would look at the total system — from gas supply to end use. That's why we offer custom-engineered delivery systems," says Leaman.

Fine agrees: "The vast majority of our competitors sell on price. We promote ourselves as flow experts. We know that gas-supply systems involve a lot more than selecting parts out of a catalog. You have to understand flow and pressure requirements to design and install a system capable of delivering what the customer needs."

Customer training is another key service. "Many customers use gas every day without knowing how or why it works," says Fine. "We share our knowledge on everything from government regulations and piping issues to safety and handling."

"We come in and evaluate their operation processes, then offer them solutions that improve safety, pro-

myth
The client should
get only what
they ask for.

truth
The client
deserves a total
solution.

CGS evaluates your processes and then offers solutions for saving money, increasing productivity, and improving safety.

Microbulk Systems. Can eliminate product waste due to residual product and normal evaporation losses. The system also meets high-purity requirements. Transferring gas between multiple cylinders increases risk of line contamination. The Microbulk System eliminates this worry.

Call us for your solution today!



Compressed Gas
Solutions, Inc.

Committed to the total solution!



1020 West Amelia Street
Orlando, Florida 32805
Phone: 407-425-5858
www.compgas.com
Email: bfine@compgas.com



Microbulk-delivery addresses the needs of customers caught between high-pressure cylinders and bulk tanks, so the firm installs 450 to 1,500-l liquid tanks on site and runs piping to the point of use.

ductivity, and labor costs," concludes Leaman.

Microbulk masters product loss

According to Leaman, a microbulk system reduces product use through residual waste and normal evaporation losses. "One customer had two manifolds holding six liquid cylinders," he says. "Operators changed out a minimum of three cylinders per day, and every tank contained residual product. The microbulk system conservatively eliminated a 20% product waste, and we became a hero overnight."

Fine continues, "A respiratory care center in our area was consuming as much as 15,000 ft³ of oxygen per day and was constantly pleading with its distributor for more-frequent deliveries. We installed a microbulk system, monitored it closely, and now the company's maximum daily consumption is down to 7,100 ft³, and it never has to call for deliveries," continues Fine.

The firm discovered microbulk (vessels ranging from 300 to 1,500 l) capability was new to the central-Florida area and filled a void between high-pressure cylinders and traditional bulk tanks ranging in volume from 500 to 9,000 gallons.

"We realized we had a tremendous opportunity being first in our

marketplace," says Leaman. "Around eight months ago, we purchased the equipment and supply vehicles and started selling to hospitals and laboratories." Key customers also include jobshops and metal processors doing laser cutting where pressure and flow are critical. "They have flowrates as high as 400

psi at 10,000 scf," notes Fine.

Microbulk meets high-purity requirements

Other target customers include municipalities and independent-testing labs with inductivity coupled plasma-mass spectrometer (ICP-MS) analyzers. ICP-MS equipment detects most elements in the periodic table at or below a parts per trillion range.

Florida is a good market for ICP users because of the rapid population growth and the regulatory requirements for soil testing prior to any con-

struction. Municipal sewage and water-treatment facilities also use them for continual-monitoring processes.

ICP's use argon gas, and purity levels are a top concern. "When transferring gas between multiple cylinders, there is always the risk of contaminating supply lines. With our microbulk system, we ship product from the manufacturer directly to the customer's tank, virtually eliminating this risk," says Leaman.

Telemetry — communication tool

Telemetry is another important tool and valuable source of information. "Our microbulk tanks are equipped with a telemetry system that communicates with our computer," states Leaman. "It lets us monitor liquid levels, identify usage patterns, and schedule deliveries without the customer's involvement," explains Leaman. Fine adds, "This is a valuable tool because it ensures our customers have no interruption in their operations and allows them maximum productivity."

Challenges ahead

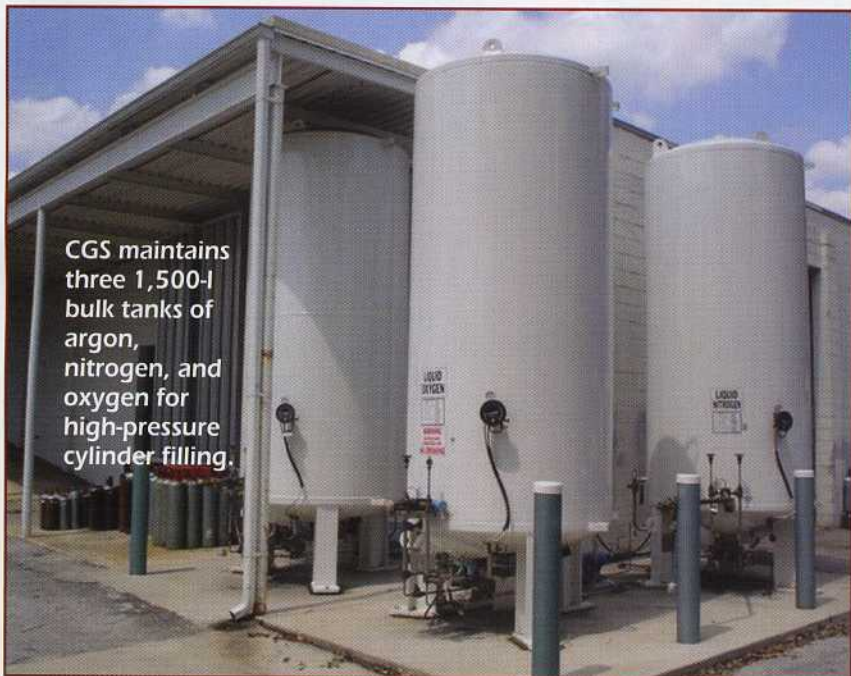
It's not all smooth sailing for the startup. It faces challenges on several fronts. The Department of Transportation has stepped up its involvement to increase distributor's awareness of the Homeland Security directives, adding



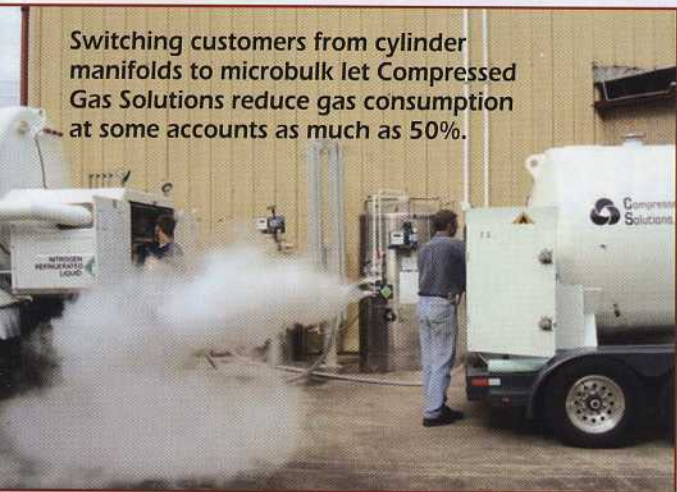
The CGS fill plant manufactures industrial oxygen, medical oxygen, industrial nitrogen, NF nitrogen, industrial argon, UHP capabilities, blends of carbon dioxide, and other mixtures.



**DISTRIBUTOR
PROFILE**



CGS maintains three 1,500-l bulk tanks of argon, nitrogen, and oxygen for high-pressure cylinder filling.



Switching customers from cylinder manifolds to microbulk let Compressed Gas Solutions reduce gas consumption at some accounts as much as 50%.

to the already costly licensing and cumbersome record keeping requirements.

Insurance costs have also skyrocketed in Florida, from general liability to automotive to worker's compensation. "Adding the microbulk-delivery trucks puts us into a different DOT category that requires additional liability coverage and increases our annual premium from \$6,200 to \$25,000," confides Fine.

Financing the assets required to build a compressed-gas distributorship is another obstacle. Microbulk systems require a great deal of capi-

tal, and the firm must buy tanks each time it secures a new account. "They are expensive commodities," concedes Leaman. "The least expensive is \$4,000, and they run up to \$20,000. This means we must maintain a good relationship with our bankers and educate them to the value and long-

evity of these assets." Fine agrees and adds, "The investors must believe in us and what we do, so we introduce them to some of our customers and then tour their sites."

Leaman and Fine remain highly optimistic regarding the firm's future. "Every day, someone finds another application for compressed gas," says Leaman. "Technology is our gateway to new opportunities and challenges, and we are always ready for an new challenge." GWD

myth
Technology is
costly.

truth
Advancements
reduce labor
and costs.

Telemetry. Stop guessing how much gas is remaining in your cylinder. CGS uses telemetry to monitor your liquid levels, identify usage patterns and to automatically schedule deliveries. You benefit through maximum productivity and no interruptions to your operations.

Tracking. CGS tracks their entire cylinder inventory by serial number using the Computer Unlimited industry-specific software system. This method quickens the reconciliation process.

Call us for your solution today!



**Compressed Gas
Solutions, Inc.**

Committed to the total solution!



1020 West Amelia Street
Orlando, Florida 32805
Phone: 407-425-5858

www.compgas.com

Email: bfine@compgas.com

Copyright © 2004 by Penton Media, Inc.

You deserve to know the truth...



Solar Panel

CGS supplies the total solution while saving you money, increasing productivity and improving safety.



Call us for your solution today!

Microbulk Systems. Can eliminate product waste due to residual product and normal evaporation losses. The system also meets high-purity requirements. Transferring gas between multiple cylinders increases risk of line contamination. The Microbulk System eliminates this worry.

Gases. We offer a variety for any industry—medical, industrial, environmental, biopharmaceutical and fabrication.

Solutions. We offer a spectrum of solutions, including design, installation, repairs, cylinder tracking, valve guards, telemetry, and cost-saving Microbulk systems.



Compressed Gas Solutions, Inc.

Committed to the total solution!

Phone: 407-425-5858

www.compgas.com

cgs@compgas.com

1020 West Amelia Street
Orlando, Florida 32805