A Question of Positioning

Launching a new product requires proper positioning—and Randy Rushing shows how.

But for a hearing problem, C. Randal (“Bandy”) Bushing would be an FBI agent today. Instead, he entered the construction industry and found “my degree in police science was really helpful, since it gave me a smattering of everything you need to handle people and understand what makes them tick.”

That knowledge has been handy for the general manager of western sales for Polymer Plastics Corporation. Based in the firm’s Phoenix regional office, Bushing has in little more than a year made PPC a major player in the western United States exterior insulation market. In fact, over the years Bushing has gained his reputation as a pioneer, having been instrumental in several EIFS start-up ventures.

“My first sales and marketing position was with a local ceiling and lighting contractor,” recalls Bushing. “I had worked with them several summers. So when I graduated from San Diego City College in 1967, but couldn’t go to the FBI Academy, they offered me a job.”

Actually, Bushing is proud of the fact he’s a “third-generation construction professional.” “My grandfather was a painting contractor, and my father was a homebuilder.” Through three jobs over 11 years, he quickly moved through the ranks, until joining the Dryvit Company in 1978.

“The exterior insulation concept intrigued me,” says Bushing, “and it was exciting to be on the ground floor with Dryvit, as they were introducing the product in the United States.” With the Rhode Island firm’s rapid growth, Bushing ultimately managed the company’s national sales and was elevated to vice president.

Then in 1983, Bushing was named president of the Chicagobased Sencon Systems, an exterior insulation start-up venture. The company introduced EIFS products into the Asian market, performing commercial and U.S. military contracts from Korea to the Philippines.

Later, Bushing gave up his heavy travel schedule to settle as a consultant in Phoenix. Two years ago he joined Polymer Plastics to establish the company’s EIFS sales program west of the Mississippi. “PPC is a family firm based in Hauppauge, New York,” he explains, “and has been around for 34 years, under owners Art and Steve Noskin. We make more than 200 products—from roofing products to concrete products, to epoxies for interior walls, floors, and ceilings.”

But to position Polymer Plastics for large-scale penetration of the exterior insulation market, Bushing had to “start from scratch.” In this special interview, Bushing shares his insights and experience on what it takes to be a success in construction marketing—from positioning a product, to educating users and establishing a distributor network.

DIMENSIONS: In your career, you’ve been a pioneer. What are some of the highlights?

RUSHING: Being on the ground floor, during the late 1970s and early 1980s, when Dryvit was introducing exterior insulation in the United States was very exciting. When Dryvit approached me in 1978, I was fascinated by the concept. I started as western regional sales manager—and quickly moved up to advertising manager, national sales manager, and finally vice president.

After I took over Sencon Systems in 1983, it was a real challenge to get a start-up company off the ground. But we were the first to install exterior insulation in the Asian market—from Seoul to Manila. If Dryvit is the “grandfather” of EIFS in America, then Sencon has that distinction in the Orient.

Since 1988, at Polymer Plastics I’ve had a great opportunity to position the company in the EIFS market of the western United States. Polymer Plastics has been around 35 years and makes more than 200 products. But for exterior insulation we had to start from scratch—and have already become a major player.

DIMENSIONS: If you only got going in 1988, then you’re really talking a matter of months. How did you get started?
RUSHING: The most important thing for introducing a new product is positioning. First, review the pros and cons of your product. Then compare it with competitors’ products. The object is to find out, “What do I need to put this product on the market?” In the case of Polymer Plastics’ Energex insulation, we’re going against competitors who have been selling for a decade and performed hundreds of projects. So without a track record to sell, I decided to market my EIFS product on its technical aspects—that it’s superior.

Let me digress a moment, and say you can actually look at having competitors as an advantage. If you’re the only one who makes a given product, what can you compare it to? That makes your marketing job much harder.

But since I have competitors in the exterior insulation market, I can tell customers, “You have many products to choose from, but mine is better.” That’s what is called “comparative selling”—and if you have the product to back it up, the strategy really works.

Of course, when you’ve got a new product, you must relate it to the accepted standard of comparison. In my case, I tell customers, “Energex insulation is similar to Dryvit and STO.” Right away I’ve put myself in the “A group” by mentioning Energex with the other two major players.

In fact, through comparative selling, after just a matter of months we’ve positioned ourselves to compete one-on-one with major competitors who have been in the market for more than ten years.

DIMENSIONS: But as you said, Energex must emphasize technical superiority over past project experience. How did you go about establishing a case for your product’s superiority?
RUSHING: Through testing. But let me emphasize, you don’t just go out and “do some testing.” Just one fire test, for example, can cost $100,000. So if it’s the wrong test and you have to do it over again, that can really devastate your budget.

Setting up an effective yet affordable testing program is vital. It takes very deep pockets as it is, since you can’t expect any pay back on testing costs for at least 6-12 months. But as I said before, marketing a new product requires a credible case for its superiority against established competitors.

What I recommend—and as we did at Energex—was to bring in some experience. Talk to experts, building code commissioners, federal agency officials, and potential customers, to see what they’re looking for in a product. Any testing program must address the needs and concerns of the people who monitor or use the product.

Something else to remember is that every part of the country has differences in their building codes. Florida might have sections on wind loads, California on earthquake resistance, Minnesota on cold-weather durability, and so on. Testing programs must take into account the areas of the country where the product will be marketed.

DIMENSIONS: Once you’ve done the basics on the product itself, what then?
RUSHING: A good salesman must also be a good educator. To sell our exterior insulation, for example, I must “pre-train” contractors on how to use Energex products and how to bid competitively with them. I’ve also got to educate the architects who specify cladding.

Architects must be approached carefully, because they’re wary of new building products. They don’t want their project to be the first “experimental” job, since their name and reputation are on the line. But contractors have a different outlook; they’re concerned about ease of application, profitability, and long-term liability.

It’s also become more important to educate specialty contractors about a new product. Many general contractors today use a “team” approach, and move their subs from project to project. Sometimes GCs are only brokers or “construction managers.” But in any event, GCs expect subs to be specialists—and rely on subs to be knowledgeable about products and applications within each trade.

Polymer Plastics and Energex is very active making presentations at industry meetings such as AWCI, CSI (Construction Specifications Institute), and AIA (American Institute of Architects). And let me add here, that’s why it’s essential to get involved with trade associations like AWCI, to keep abreast of industry developments.

DIMENSIONS: Obviously, you can’t cover the entire western United States sales and service territory all by yourself. How do you set up an effective sales and distribution network?
RUSHING: Once you have the basics in hand—samples, sales and
product literature, and test packages—you search the country to find the best distributors. Having a good network is just as key to success as anything I’ve mentioned heretofore.

First, for Energex I broke out geographic areas by demographics. For example, the Dodge Reports are good for finding out where the action is—what area markets have been consistent, or have been hot, or are expected to be active. Then I targeted desired areas, and gave presentations to potential distributors.

When seeking distributors, I look for these qualities:
- Does the individual or company have a good reputation? If both Polymer Plastics and its area distributor have good reputations, then we mutually benefit from each other’s good name.
- Is the distributor enthusiastic about our products?
- Will the distributor put the needed effort into educating its sales force about our products?
- How much time will the distributor devote to our products?
- Will be a “featured product” with the distributor, or simply one among its many offerings?

With a superior product to start with, and the kind of screening and leg work I’ve mentioned, the response I’ve enjoyed the last few months has been phenomenal. Already, we have a complete distribution network in the western United States—that is, everything west of the Mississippi—for our exterior insulation products.

DIMENSIONS: HOW do you start to build sales volume once the distribution network is in place?

RUSHING: We give each distributor a contract for a certain sales territory. Then together, we jointly establish sales goals.

But the first key is supporting your distributors. I spend a lot of time educating them about our exterior insulation products. Then especially with new distributors, I frequently accompany them on sales calls. Finally, Polymer Plastics can’t overemphasize enough the need to provide samples, literature, code compliance—and to maintain a quality product.

My strategy is to help distributors expand, so they can add more salesmen. On average a single salesman brings in $300,000 to $400,000 per year gross sales. The more a distributor sells, the more salesmen it can add—and the more it sells, and so on. In my opinion, you build sales volume by adding salesmen.

To achieve this, I monitor distributors closely at first. But my goal is for each distributor to ultimately do the bulk of its own monitoring, so I can move on to other developmental areas.

DIMENSIONS: We’ve talked about where you’re firm is going. Where do you think EIFS in general is going?

RUSHING: Before I answer that, I think it’s instructive to review where exterior insulation has come from.

Everyone agrees the rigid insulation concept started in Germany after World War II. There was an absence of raw materials, so the country turned to synthetics, including synthetic plaster for building construction. But rather
than just being a stopgap, synthetic building materials turned out to be a good idea on their own.

The BASF company invented expanded polystyrene. They knew it had real potential—somehow—but couldn’t exactly figure out how to apply polystyrene to insulation. But as to who came along and decided to use polystyrene as an insulating building skin, there’s a lot of historical dispute.

Anyway, the founders of Dryvit saw the developments in Europe, brought the concept to the United States, built a plant and—as they say—the rest is history. Now exterior insulation is everywhere, and has become a multi-billion dollar industry.

The EIFS market has been growing 18 to 24 percent per year, and I don’t see an end to the growth anytime soon. I’m 42, and I have no doubt exterior insulation could provide a future for my sons. The United States and other countries aren’t using natural products like we used to. More and more, the world is switching to synthetics.

**You can look at having competitors as an advantage.**

**DIMENSIONS:** Any final words of advice?

**RUSHING:** Sales and marketing isn’t easy—and neither is it a matter of simply applying some scientific principles that guarantee success. Nobody is an island unto himself, so you’ve got to keep learning every day.

Again, that’s why it’s so important to join and get involved in an organization like AWCI. I’ve been involved for ten years—and I can tell you from personal experience, professional involvements are how you grow. Being an involved AWCI member makes it easier to grow, because you can learn from such a wide spectrum of the industry.