

Excellence in Innovative Thinking

... Out-of-the-Box

## Apex Aims to be a Flipside Company

Apex Energy Solutions is the Generation X of window dealers. Like the 30-somethings that founded the company in 1998, Apex was not going to be an industry retailer to follow in its predecessors' footsteps. In fact, in many ways, Apex rebuffed its elders' approach, opting not to include the words window, door or exterior in its name—thus separating itself from traditional companies of the time and creating a company culture that welcomed non-industry personnel.

Apex's founders, Michael Foit and Shawn McCain, developed a quirky, and now trademarked, marketing approach, still do their best recruiting in restaurants (seeking bright and personable servers and bartenders) and have spent the past decade convincing homeowners that they could trust and expect more from a non-traditional window company.

It seems to have worked—the Carmel, Ind.-based company just crossed the \$10 million in sales mark and, despite the cranky market, has logged a 32 percent increase over last year. The company has locations in Cincinnati, Louisville, Indianapolis and Dallas and is flirting with the idea of releasing its marketing strategy to other key markets

as well. "We've got a template and a corporate identity," says Foit. "There's always going to be a place for good old fashioned quality and value. Out-of-the-box and creative thinking is something we pride ourselves on. And it keeps my employees and customers excited."

Apex's inventive approach to the home improvement market is not lost on its suppliers or customers. "They are passionate to take the homeowner/remodeling experience to a new level of customer satisfaction," says Brad Beard, regional vice president for Alside, Apex's primary window supplier. "They did not enter the window and door business as a follower or a 'me too.' They create a unique business model that I feel appeals to today's consumer. They understand that today's consumer is more knowledgeable and educated primarily based on the use of the Internet. Today's consumer wants to talk about R ratings, glass packages, DP ratings, etc., which was primarily not the case in the past. Apex is one of the leading window and door companies in regard to information technology, which is what many of today's buyers are looking for."

Michael Foit (left) and Shawn McCain, founders of Apex Energy Solutions, set out to change the way windows are sold. The men have stuck to their unique values and proprietary marketing approach to stretch into new geographic markets.



## AN UNUSAL PAST...

The non-traditional nature of Apex Energy Solutions comes directly from its founders, who admittedly had a non-traditional entry into the window and door business. Foit was an aspiring actor who returned to his Midwest roots after taking his chance at fame for a few years in Los Angeles. He was bartending in Cincinnati in the late 1990s when he met his eventual partner, McCain. They learned of the potentially lucrative replacement window and door industry through a friend of a friend, and once the seed was planted, Foit explains, they pursued the path, despite complete lack of industry knowledge.

"I didn't even know people replaced windows," he admits. "I had no experience in that."

What the partners did know, having come from a hospitality background, was customer service—and they knew that they weren't seeing what they consider to be good service in the industry at that time. The men



Apex's company culture is goal-driven and the company has no commission caps, allowing its energetic sales team to embrace an entrepreneurial spirit.

launched their company in 1998 as a sales organization, relying on another company to handle its installations, but quickly realized that the type of differentiation they wanted to achieve would not be possible while they were connected to another, traditional home improvement organization.

"We became too successful for our installer pretty quickly," he explains. "We went with a larger company, but the focus was volume over quality and they were not kind to homeowners. Where we were coming from, if it was truly a 70 cent furnace filter that needed changed, we'd tell them that and not convince them to buy windows."

Alside's Beard says the owners' backgrounds, though a little unconventional, gave them a firm understanding of what customer service should mean to people who are putting hard-earned money

on the line. “I’m sure their backgrounds play a role in their day to day business,” he says. “Their backgrounds include dealing with a variety of different types of people, which I feel is crucial when you’re dealing with homeowners.”

With the aim to stand for something, the company developed its slogan, “Realizing Energy Efficiency through Education,” and began presenting itself as an alternative to its competition. “Education is the operative word, not deception,” Foit says.

Having worked with companies it didn’t want to mirror, and then developing its mission of providing energy efficiency education to homeowners shopping for windows, doors and siding, Apex needed to get its message to the masses. “We had these great ideas but no money,” Foit says. “I borrowed some money, but it was only \$20,000. A full page ad in the newspaper was like \$60,000 at the time so it was apparent that we had to come up with another approach.”

This is when the owners laid some of the foundation for its current proprietary marketing techniques. Rather than

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targeting potential customers from the outside in, with conventional methods like billboards, radio ads and coupons in Valu-Paks, Apex approached its client base from the inside out, Foit explains. They coined the concentrated neighborhood approach “flipside marketing” and developed a method for attracting a first wave of buyers in a particular neighborhood, which would then lead to subsequent buy-

ers in the area who already had exposure to the company and its reputation. “We took an old concept off the streets and gave it a bath, put some baby powder on it, and got a blessing from our attorney,” Foit jokes. “We decided to take an opposite approach and market from the inside out. We didn’t have to spend a penny, not even an ad in the yellow pages, on marketing. We were cheaper than competitors but we were offering higher quality.”

Getting “in” with the first round of homeowners in a particular neighborhood would require a special army of Apex employees—what the owners viewed as traditional canvassers with a professional-looking and well-trained twist. So in the beginning, Foit and McCain hired young, clean-cut people from familiar networks—people who, like them, were new to the industry. “The talent pool that we pulled from when we first started were people within our reach—cocktail waitresses, fellow waiters and bartenders,” Foit says. “People who are personable, clean cut and knew about customer satisfaction, but for whatever reason, life had put them in a bartending situation.”

The company also targeted recent college graduates looking to make decent money just out of school. “It takes a special type of person to go out and talk to people face to face.”

### ...LEADS TO A BRIGHT FUTURE

As the company’s approach gained momentum, the owners continued to refine the flipside marketing concept. While Foit is hesitant to reveal the process in detail, he does

Chief financial officer Paul Lewis helps balance the company’s successful market penetration with a sound financial plan for continued growth.



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share some of the basic components of the proprietary plan. It's not a door-to-door effort, he notes, where canvassers blanket an entire area hoping for a small percentage to result in possible leads. Rather, the Apex “marketing directors” are trained to identify houses well suited to become the first round of Apex projects in a given area. The marketing directors approach the owners, not with the goal of selling windows, but with the goal of setting appointments and encouraging homeowners to begin their due diligence. “They say, ‘We don't want to disturb you, and we're not selling you anything. We're getting ready to conduct our marketing campaign in your neighborhood, so here's our references, here's our literature,’” Foit says. “We encourage them to call BBB, and leave them with a CD calling card.”

The CD calling card, an unusual marketing element for the industry, contains a movie trailer-like introduction to Apex that one of Foit's Hollywood contacts produced. The homeowner can boot the CD in her home computer and get a virtual tour of the company, he says. “It's designed to get the blood pumping to let them know we're coming to their neighborhood.”

The next step is a traditional appointment with a salesperson, but even that takes a different twist with Apex. Again drawing on his acting connections, Foit developed a movie-like presentation for the sales force so that they are armed with far more than a Power Point presentation when they pull out their laptops for a homeowner pitch. Stemming from the energy efficiency education mission, Foit compares his company's laptop presentation to the computerized rendering of the ship sinking in the movie “Titanic.” That scene helps the movie viewer understand how a massive ocean liner could sink, and Apex's rendering helps homeowners grasp the true nature of energy efficient fenestration products, he explains. “When you talk about energy savings with homeowners, it's a very nebulous subject,” he says. “We're trying to sell our product based on things they can't see or touch. We created a CGI thing that shows what happens with single pane, double pane and triple pane windows. In two or three minutes, they understand why they have seal failure and why their windows aren't opening very well.”

Using technology allows most customers to feel like they are being educated, not “sold” on a line of windows, Foit says. “We're able to share with them our passion about energy efficiency. If they don't buy from us, the poor guy coming in next is coming to educated homeowners.”

Apex continues to recruit non-industry-bred, generally younger people to deliver its message to homeowners.

Because this talent pool has never sold windows before, Apex doesn't have to overcome “bad habits” that may have been picked up in other sales roles. “We compensate for their age by over training them,” he says. “They go through a four-week training process. It's like getting a degree. Young people don't understand anything about the industry. But they like the fact that our marketing approach is different, not conventional.”

### ALWAYS STRIVING

Despite pulling from a fickle younger crowd, Apex has a surprising retention rate. Part of the reason, no doubt, is money. Apex pays its employees well, based on potentially limitless commissions. “There's no commission cap in our company. We want to promote the entrepreneurial spirit,” Foit explains.

But money doesn't motivate everybody, even in the up-and-coming generations, he adds. “We got a culture going now,” he says. “The environment is very goal oriented. A man without a goal is like a ship without a rudder. Every Monday we set team goals and individual goals. Some of these people are more about the goal than the money.”

Apex also has a policy of promoting from within, which keeps some employees connected to the potential for personal growth. “The sales guys have to start out as a marketing director and move up from there,” he notes.

And those promotion opportunities may be as limitless as the company's doling of commissions with the current growth trend it's on. The company's three hubs in Cincinnati, Louisville and Indianapolis were joined last year by a franchise location in Dallas. Having recently accomplished the company's goal to reach \$10 million in sales, the owners are exploring the next steps for Apex—additional franchises, or perhaps making its flipside marketing available to other companies seeking an alternative, but now proven, method to the marketplace.

A dedicated Alside supplier, Apex has lots of support from its manufacturer, regardless of what its game plans ends up being. “We have exclusives in future states that we're not in yet,” Foit says.

Those who work with Alside, including Beard, have a feeling the company will do more than push into new territories with new product offerings. The company, he ventures, may set a new standard for how windows are sold in its markets. “I think they will force a change in the way other window and door companies go to market, similar to the dramatic changes that occurred within this industry as a result of the Do Not Call phone list,” he says. ☐