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Lining up against the competition

Upstart Kewaskum firm getting traction with truck bed liners

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Bryndon O'Hara . . . "We need to drive the consumer."

Bryndon O'Hara is so confident his company's pickup truck bed liner wins an apples-to-apples comparison that he made a commercial to prove it.

The ad for DualLiner shows a 2007 Ford F150 -- with a crate of apples in the cargo bed -- rounding a curve on a country road. When the F150 sports a DualLiner, it holds the apple crate in place. When the pickup has only a spray-on bed liner, it loses the apple crate, which slides out and hits the road.

The ads have been appearing since March on cable's Spike TV "Xtreme 4 X 4" show.

"We need to drive the consumer," said O'Hara, who is DualLiner's general manager.

Enough pickup owners are responding, and the Kewaskum company is making inroads against the industry-leading spray-on liners and the old standby, one piece drop-in plastic bed liners. But DualLiner has a long way to go before it's anything more than an upstart.

The product was invented and patented by Lonnie Kuenzli of Meridian, Idaho. It consists of a plastic liner for the cargo area's sides, front and tailgate cover and a non-skid rubber mat that covers the flat surface. The plastic siding and rubber mat interlock, and can be installed by a pickup owner in 15-30 minutes.

The idea is to protect both the truck's painted surfaces and the cargo it carries.

A group of five investors from southeast Wisconsin own DualLiner, said O'Hara, who's been with the company three years. O'Hara and the company's registered agent, Tony Jasen, a Kewaskum financial adviser, declined to identify the owners.

O'Hara said the Wisconsin investors met Kuenzli at a trade show and decided to take the product to market.

O'Hara is a self-described "gear head" who owns 14 off-road trucks and formerly worked in sales and engineering in the diesel generator and metal fabrication industries.

PROJECTING SALES INCREASE

DualLiner has three employees and has a small office and 11,000 square feet of warehouse space in a nearly vacant former Regal Ware Inc. building. DualLiner contracts with three Wisconsin manufacturers for the plastic components and an Ohio manufacturer for the rubber mats.

DualLiner's owners have invested more than \$1 million in tooling at the supplier plants, O'Hara said. He said the company has relied thus far on bank loans, and a cash flow will finance growth.

O'Hara said he plans to hire three more employees by year-end as the business adds customers. He projects a 1,500 percent sales increase over the next year, but declined to disclose sales figures.

That sales jump will depend on his ability to convince national automotive aftermarket parts retailers to carry the DualLiner. O'Hara also is pursuing the major pickup manufacturers to supply bed liners they would offer at dealerships.

If sales volume spikes as planned, DualLiner would likely bring its manufacturing in-house and lease more space at its existing site, O'Hara said.

DualLiner makes bed liners that fit in Ford, Dodge and GM pickups and plans to introduce a model for the Toyota Tundra in 2008.

The list price ranges from \$350 to \$400, but two online retailers are selling them for about \$320.

The market had been dominated since the 1970s by one-piece plastic bed liners now priced at \$150 to \$200.

Since the late 1990s, spray-on chemical liners that are one-quarter-inch deep have gained popularity and cost \$400 to \$500.

Thus far, DualLiner has penetrated the lineups of two national online pickup truck aftermarket retailers, J.C. Whitney of Chicago and TruckAddons.com, Lexington, Ky. Several hundred independent stores nationwide also carry DualLiner, O'Hara said.

GETTING OUT THE WORD

Barry Sanders, president of TruckAddons.com, said his company tested DualLiner and was "astonished" at its performance. He said sales increase when the commercials run on Spike TV.

"It's going to take some time," Sanders said of DualLiner gaining wider acceptance. "it doesn't happen overnight on a product."

Dan Strezo, a product manager for J.C. Whitney, said DualLiner sales have been consistent. He said he initially was concerned the price was too high, but that hasn't been an issue. The fact that DualLiner ships in boxes that fit UPS and FedEx trucks is a plus for online retailers, he said.

Doug Geracie, owner of Truck Outfitters, a truck store in Butler and West Bend, said DualLiner is a nice product but he believes the price is too high to attract customers who have been embracing spray-on liners. "It's hard to change someone's mind," Geracie said.

O'Hara said he believes the price for the DualLiner is fair both for consumers and retailers. He said the company is committed to manufacturing in the United States and maintaining its profit margins.

DualLiner continues advertising, and just signed on for another year with Spike TV at twice the frequency of commercial appearances, O'Hara said. While consumers are key, O'Hara said his main audience is retailers.

DualLiner has run a booth the past three years at Specialty Equipment Market Association (SEMA) trade shows. O'Hara tells of one attendee who took a year to be convinced that carrying the DualLiner was more profitable than running a spray-on bed liner service.

In pursuing another customer, O'Hara left countless telephone and e-mail messages. After three years, the aftermarket chain executive finally agreed to a meeting and O'Hara hopes to complete a deal in early 2008.

"You've gotta scream louder than anybody else," he said.

DualLiner is well-positioned to continue increasing its sales despite the slowdown in new pickup sales the past year, O'Hara said. Because DualLiner's market share is small, there are still millions of pickup owners who haven't converted.

"I'm stealing market share," O'Hara said.

LESSONS LEARNED

What has been your toughest business decision?

"Our decision to take it to the people. We are the underdog, going after the market in a way we were told couldn't be done. Our national TV advertising is propelling us forward. It's a pull-through approach, where the industry is very much push though."

What is the biggest risk you've taken so far?

"Our owners had the foresight to see a great product and grab hold. They also understood that it would not happen overnight. Their ability to stay the course has made getting over the hump a lot easier than it would have been otherwise."

What is your greatest business challenge?

"Balancing cash flow, marketing money, and tooling expenses. I'm a truck enthusiast offering a product that really works. But, without the money side of the equation, enthusiasm only gets you so far."

What is your greatest frustration?

"having the proverbial better mousetrap and trying to get the word out. If it would work, I'd be yelling from the rooftops. The great part is that truck owners that install our liner are very vocal about its performance."

Bryndon O'Hara