

THE MID-ATLANTIC REGION

CORE VALUES ➤➤

Kencor is growing its business throughout the region and beyond with a well-thought-out formula for success.

by Kaija Wilkinson



A recent Kencor project at Riddle Hospital in Media, Pennsylvania

Kencor, Inc. Elevator Systems has enjoyed double-digit growth each year for the past seven, representing its most fruitful era since the company was founded in 1981 by Kencor CEO Rick Kennedy with only six employees. With corporate headquarters in West



Chester, Pennsylvania, the company now has close to 100 employees serving customers across eastern Pennsylvania, New Jersey, Delaware and Maryland out of four locations — West Chester; Glen Rock, New Jersey; Middletown, Delaware; and Allentown, Pennsylvania (which opened in early 2017 to better serve seven counties surrounding Philadelphia and New Jersey).

Kennedy is a well-known and respected member of the industry, having received the William C. Sturgeon Distinguished Service Award in 2014. He proudly notes Kencor is the only elevator contractor in the nation that has ever been awarded the Accredited Quality Contractor designation by Associated Buildings & Contractors, Inc. Its Delaware and Eastern Pennsylvania divisions were the most recent to receive the designation in 2016. Of the Eastern Pennsylvania (Allentown) location, he says:

"We do a lot of medical business there and see a resurgence of the coal and steel industries. Last year, we established a presence there by purchasing a small company. Since then, that office has grown significantly. We are up to two repair/construction crews and two maintenance crews already."

Kencor's headquarters doubled in size in November 2016 and now includes three contiguous warehouses totaling approximately 30,000 sq. ft. One of the largest independents in the region, the company's portfolio is balanced, with the maintenance, repair, new-construction and modernization divisions each generating 25% of revenue. "We don't like to think of ourselves as offering one specific product or service," Kennedy says. "We are comfortable in our space in the industry. If we fit a customer's needs, we fit; if we don't, we don't, and that seems to work for us."

Many customers have found Kencor to be a perfect fit. The company prides itself on customized solutions, fast and thorough responses and working exclusively with nonproprietary equipment, which means customers can choose their own maintenance providers at any time. Kencor has a 98% customer-retention rate, and some of its customer relationships

date back close to 30 years. In elaborating on its scheduled and on-call services, the company states:

"Supervised by industry veterans with 175-plus years of combined experience, our in-house Certified Elevator Technicians (CET®) also draw on an extensive parts warehouse, machine shop, wiring-diagram library and vehicle inventory to successfully maintain more than 2,400 units of all makes and models. We service elevators manufactured by Otis, thyssenkrupp, Schindler, KONE, Cemco, Montgomery, Payne, General Elevator, GAL, SmartRise, Virginia Controls and many more."

Whether it is new construction, modernization, repair or maintenance, Kennedy says being consistent is mandatory. "Always partner with the customer to make sure their vertical-transportation system is the best it can be," Kennedy says. New-construction projects must be delivered correctly and on time. Maintenance customers should know that Kencor employees will be present, whether it is at scheduled times or in

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(l-r) John Dodds, Karen Kennedy and Ed Sullivan

the event of a service interruption. “When you tell someone you’re going to do something, do it,” Kennedy says. “Stick to estimates, don’t change orders, and, on modernization projects, deliver first-class, quality products every time, ones where you can stand back and say, ‘That is a good-looking area.’”

Kencor built its business upon the core foundation of solid, straightforward customer service and sticks to that concept today. Three key changes, however, helped propel the company forward much more efficiently, Kennedy shares.

The first change, which directly preceded the current period of growth, was to reorganize the leadership and management structure of the company from what Kennedy describes as “entrepreneurial to a more professional platform.” Kencor went from having just him at the top managing and overseeing every aspect of the company to putting a carefully selected team in place. “I went from being entrepreneur to CEO, where the main attributes of my job are the vision, assembling the teams to achieve that vision and being the ambassador to achieve that vision.”

The team consists of Executive Vice President Karen Kennedy (Rick’s daughter), Chief Financial Officer Ed Sullivan and Chief Operating Officer John Dodds. Each week, Rick Kennedy gets a report from each of them based on reports from the managers and supervisors they oversee. “[Kencor] is run by extremely dependable people, and I leave the day-to-day operations up to them,” Kennedy says. “That works very well and has allowed us to grow exponentially, rather than do whatever we can to keep our head above water.”

The second was a decision made approximately five years ago to partner with the National Association of Elevator Contractors (NAEC) on its CET program and schools that implement that training to bring on apprentices. That relieves the headache of scrambling for skilled workers when the order book is full, as it is now. Kennedy states:

“When we made the decision to partner with NAEC and local trade schools on education, it was in an effort to stop worrying about our workforce. We have three or four apprentices a year during the summers, and we have hired 100% of them. Approximately 80% of our labor force now is organic, with the other 20% brought on through acquisitions.”



The Kencor fleet stands ready to serve.

The third key change at Kencor was “jumping into social media in a big way” and creating a detailed yet user-friendly website. The company tracks data through its website, and this allows it to identify customer preferences and trends. “We’re getting a tremendous amount of business” through social media and the website, Kennedy says. “I realized you have to stay current with technology, even though we’re a very mature industry.”

Boasting four generations of combined experience, Kencor is well positioned to handle whatever the economy throws its way. Right now, that is as good of a return as it has seen in at least 16 years, Kennedy says. Kennedy and Kencor’s management team plan to stay focused on what they do, rather than what others are doing. Kennedy states:

“Competition has the tendency to denigrate pricing practices, and I’m not much for that. You know what the value of your products and services are, and you can’t miss anything you never had. So, we don’t worry about the competition or chasing our prices down into a hole.” 🌐

