

A Strategic Territory Expansion in Industrial Heat Tracing

Executive Summary

A fourth-generation family-owned mid-size industrial services business founded in 1961 has established itself as "The Heat Tracing People" with over 60 years of specialized experience in industrial thermal solutions. As part of their growth strategy, the company planned a significant territory expansion of their Industrial Heating Solutions (IHS) business segment, targeting Northeast Ohio, Western Pennsylvania, and West Virginia. This case study examines Coach House Consulting's contribution to their expansion strategy, projected outcomes, and implementation approach.

Company Background

For over six decades, the company evolved into a comprehensive thermal solution provider specializing in electric heat trace systems for industrial and commercial applications. As a value-added distributor for nVent's Raychem brand, the company couple's technical expertise with project lifecycle management to deliver specialized thermal protection solutions.

Business Model & Competitive Advantages

Success stems from several key advantages:

- **Specialized Expertise:** A dedicated brand sales team with over 150 combined years of heat-tracing experience
- **Technical Capabilities:** Maintenance of over \$1M in inventory and 80,000+ feet of electric heat tracing
- **Unique Approach:** Family-driven commitment to client success with emphasis on technical optimization
- **Market Position:** Established reputation as "The Heat-Tracing People" with a dedicated Thermal Solutions group for system design and support

Their value proposition centers on:

- Reducing installation and operational inefficiencies
- Minimizing downtime through intelligent predictive maintenance
- Providing scalable technological solutions that integrate with customer platforms

The Expansion Challenge

The company has achieved consistent year-over-year growth, projecting annual revenue to exceed the plan. To continue this growth trajectory, the company identified an opportunity to expand their IHS business segment into new territories with significant market potential:

- Northern Ohio (Toledo to Cleveland)
- Western Pennsylvania (West-Border to Altoona)
- West Virginia

The Challenge: How to successfully enter these markets while maintaining their reputation for technical excellence and comprehensive project support.

Strategic Approach

Coach House Consulting developed a four-phase expansion strategy:

Phase 1: Preparation

- Recruit additional team members: project professionals, sales team specialists, and a customer support specialist
- Begin office/warehouse construction
- Conduct detailed market mapping for each territory
- Identify the top 10 prospects in key categories: end users, consulting firms, contractors, and distributors

Phase 2: Initial Market Entry

Sequential territory launches:

1. Northern Ohio Focus: Natural progression with neighboring Southern Ohio existing customers for organic growth
2. West Virginia Focus: Natural progression with neighboring Ohio and Kentucky existing customers for organic growth
3. Western Pennsylvania Focus: Pittsburgh End Users, Consultants, Contractors & Distributors including some natural progression with the company's existing customer base

Phase 3: Market Penetration

Implementation strategy centered on:

- Technical Excellence: Deploying the Thermal Solutions group for system design and commissioning
- Relationship Building: Establishing presence with consulting firms, contractors, distributors, and end users
- Market Presence: Launching targeted marketing campaigns and developing territory-specific materials

Phase 4: Optimization

- Monitor performance metrics including sales distribution, project win rates, and customer satisfaction
- Implement continuous improvement through regular performance reviews and resource adjustments

Financial Strategy

The company's expansion is supported by:

- Strong cash position and existing credit line
- Robust banking relationship

- Ability to manage extended payment terms
- High inventory investment

Projected Outcomes and Results

Revenue Growth Strategy

- Established three-year progressive growth targets for each territory
- Implemented quarterly review process with performance incentives
- Created revenue forecasts with margin targets by product/service

Talent Acquisition & Development

Recruitment Strategy

- Developed technical sales job profiles with required skills/qualifications
- Leveraged LinkedIn campaigns, industry job boards, professional networks and referrals

8-Week Onboarding Program Development

- Weeks 1-3: Technical immersion (products, specifications, competition)
- Weeks 4-6: Market orientation (territory mapping, customer personas)
- Weeks 6-8: Field training (shadowing, supervised client meetings)
- Post-Training: 90-day milestone tracking with mentorship support

Market Development

Prospect Identification

- Created territory-specific databases of top prospects across four categories: End Users, Consulting Firms, Contractors, Distributors
- Implemented qualification scoring system with quarterly updates

Created the Customer Engagement Model

- Relationship-driven approach with consultative selling methodology
- Multi-tiered engagement targeting executive, technical, and operational levels
- Systematic follow-up protocols with cross-functional team approach

Marketing & Communication

Digital Strategy

- LinkedIn thought leadership program with technical content publication
- Targeted advertising to prospective personas

Created Family-Legacy Differentiation Communication

- 60-year legacy messaging highlighting company milestones
- Multi-generational expertise positioning emphasizing stability
- Created customer longevity metrics for long-term relationships

Communication Tools

- Standardized email templates from the "Email Anatomy" guide
- Tracking mechanisms to measure engagement effectiveness

Key Success Factors

The case study illustrates several critical success factors for the expansion:

1. Leveraging Existing Strengths - Building on established technical expertise and reputation
2. Strategic Resource Allocation - Targeted hiring and inventory expansion
3. Phased Implementation - Systematic market entry with clear timeline and targets
4. Customer-Centric Approach - Maintaining focus on comprehensive project lifecycle support
5. Family Leadership - Continuing the tradition of direct family involvement in client success

Conclusion

The territory expansion plan demonstrates how a specialized industrial services provider can leverage technical expertise and customer-centric values to drive strategic growth. By maintaining their focus on being "The Heat-Tracing People" while systematically expanding their geographical reach, Coach House Consulting helped the client to position themselves for continued success in the industrial heating solutions market.

The case study also highlights how mid-sized family businesses can compete effectively by combining deep technical knowledge with comprehensive service offerings, creating a value proposition that transcends mere product distribution to deliver specialized solutions addressing critical customer needs.