



Sagamore Plumbing and Heating Inc., Weymouth, Mass.

Controlling Your Costs

by Katie Rotella

Sagamore Plumbing and Heating Inc. (Weymouth, Mass.) has been a successful plumbing, heating, new construction and service company for the past 15 years. As its service group grew to address increasing demand, Sagamore management — including company president **Joseph R. Harold III** — realized they needed to gain better control of critical business operations including tool management, warranties and inventory control.

The Sagamore inventory crib was over-stocked and mismanaged, and the company knew this was having a direct effect on profitability.

“We needed to get inventory and materials in check fast,” says **Rod Rodrigues**, Sagamore’s service group manager, who joined the company last June.

The Fulton Group (www.fulton-group.net), a warehouse and supply-chain management services’ company for the plumbing, electrical and HVAC industries, was contracted by Sagamore in April 2006 and the revolution began.

To make the service fleet as efficient as possible, the Sagamore-Fulton team first had to determine what inventory was needed on the trucks and then create a custom load plan. Fulton helped gather ticket averages, bench prices and other data to maximize each truck’s investment.

Sagamore runs 10 service vehicles: six for plumbing service and installation, three for HVAC service and instal-



lation, and a drain-cleaning truck. The company prefers to utilize 12-foot box trucks with custom Hackney racks (it has started to phase out older vans and trucks). “For plumbing service, the 12-foot box is the best for organizing stock and equipment,” Rodrigues observes.

Soon, new racks were installed and new load plans in place. With the inventory, tools and equipment bar-coded for computerized control, the service warehouse was now in shape; the Sagamore service technicians could now run efficiently and more profitably.

Each technician is responsible for scanning out his inventory as jobs are completed. Daily paperwork is then transferred to Joel Laffin, a full-time Fulton associate who has an office in Sagamore’s warehouse. Laffin then replenishes each truck’s inventory by pulling stock and placing it in the technician’s secured parts locker for pick-up the next morning.

The Fulton Group is also responsible for sourcing material that is not part of a truck’s load plan. The objec-

tive is to first determine the best price and availability of non-stock items, and then deliver the material to the service technicians in the most cost effective manner.

“I do not want our technicians spending valuable time driving to the supply house looking for parts. Fulton solves the ‘windshield time’ problem every service company experiences,” says Rodrigues.

According to **Joe Piro**, Fulton’s president, having a Fulton associate in the warehouse who is dedicated to materials management gives Sagamore a handle on costs, shrinkage and surplus. Additionally, the electronic capture of data provides real-time access to critical information.

“Using the DDI inventory management system, Fulton is able to produce monthly reports for us. This report shows material costs savings, technician averages, bench prices down to each truck, each technician, and even each line item,” says Rodrigues.

He offers this advice to other plumbing companies struggling with material and labor costs: “Get them in check. Material management is a key component to running a successful company.”

As for Sagamore’s decision to partner with The Fulton Group, Rodrigues states, “You get the right people on the bus and in the right seats and the rest will just fall into place.”

All inquiries regarding the Sagamore program and its successes should be directed to The Fulton Group at 508/205-6232.