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Troy firm grows by showing clients space above

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By Eric Morath

By looking up and around Troy-based AME Vertical is growing business by ensuring that customers do not have to increase their space.

Showing customers - primarily automotive dealerships - that space above their heads and along their walls can be better used has resulted in steady sales growth for the 5-year-old industrial storage company.

Now with a national reputation for its automotive work, AME is seeking to expand into the industrial and government sectors.

"You're paying taxes on it, you're heating it, why not use it - the space above your head?" AME President David Easterbrook said. "People don't hesitate to add on to their building, but if they just stopped and looked around, there is so much unused space."

AME projects it will complete 30 systems this year and record \$4 million in sales. That's up from \$2.6 million in revenue last year and a nearly four-fold increase from 2004.

As a reseller of industrial mezzanines, lifts and shelving systems, the five-person shop primarily focuses on designing and selling the systems.

AME's niche has been automotive dealerships. It sells systems as far away as Louisiana and California, despite the fact that the brands it markets - Wildeck and Rousseau, for example - have local dealers in those areas.

"Dealerships choose us because we are out of Detroit and we know the business," said Easterbrook, whose background is in retail, not autos. "We've studied the industry, we know how to deal with specific products and we understand their warranty issues."

AME systems in some cases allow dealerships to cut the size of their parts rooms in half, allowing more space for revenue-generating activities, such as service bays and showroom space.

The systems also allow dealers to expand their offerings. For example, tire carousels allow dealers to stock the bulky products in limited space and then sell customers brake work or other repairs.

The automotive focus pushed AME to become one of Wildeck's top dealers, despite its relative youth, said Wildeck Inc. Executive Vice President Keith Pignolet. Most of the Wisconsin-based manufacturer's other top sellers have been in business for 10 years or more, he said.

"AME, unlike other resellers that have a shotgun approach, has a very focused, service approach to the automotive industry," Pignolet said.

"For example, they almost always sell both mezzanine and lifts to the same customer. A number of our dealers miss the relationship between the two products."

To continue to grow the business, AME is branching beyond autos and is gaining work in the industrial and government segments, including a project at the Army's Fort Bragg.

Last month, the company took a step forward to securing more government work, winning a federal General Services Administration contract. That contract essentially put AME's merchandise into the government's catalog of approved products.

"With the contract, we can fulfill government contracts almost immediately; without it the cycle averages 290 days," said AME Vice President Drew Patrick.

The company also holds a "Service-Disabled Veteran-Owned Business" distinction from the general Services Administration, giving it an advantage for federal contracts, as 3 percent of government purchases are supposed to come from such companies. Expanding into the government sector should allow AME to continue its sales growth, Patrick said.

"Automotive retail is a limited market, in part because dealerships typically invest more in showrooms than parts rooms," he said. "With the government, we're talking about them buying billions of dollars worth of the products we're selling, and this designation gives us an advantage over open-market competitors."

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