

Shamus Hurley



Kinetico

By Karen R. Smith and Denise M. Roberts

Speaking with Shamus Hurley, WC&P asked for an update on Kinetico since it was sold to Sweden-based Axel Johnson—and what Hurley, new to the water industry, thinks about corporate responsibility, growth and opportunity.

Dealers have long been the core of Kinetico. “We are focused on the continued growth of our dealer network throughout the world and are in the process of developing a host of items to help them be successful, including business support, additional training, marketing support and other services,” Hurley advised.

While he couldn’t give the specific details just yet, these include the development of new tools and lead generation efforts. Overall, management is focused on increasing the firm’s global footprint and will keep investing in the areas of research and development.

Hurley explained that the firm is also localizing dealer networks to meet market demands. “A one-size-fits-all approach is never appropriate,” he said.

Kinetico currently distributes its product in nearly 100 countries. The North American dealer network continues to provide a significant percentage of Kinetico’s revenue with residential equipment sales as the primary source. In Europe, commercial equipment plays a much larger role.

Kinetico and its dealers are actively involved in developing and improving brand awareness and have embarked on a significant initiative to increase its marketing efforts throughout the world. Kinetico and its customers believe their products are the best in the industry. In fact, referrals have always been a dealer’s number one source of leads. Therefore, now is the time for the company to tell

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the rest of the world about its products and the Kinetico brand experience.

The company will continue with this investment in building brand awareness while improving the consistency of the brand experience.

Commercial/industrial/ municipal

Kinetico believes it offers the best commercial systems on the market. “The recent introduction of the two-inch Hydrus valve reaffirms our commitment to commercial markets,” Hurley noted, adding that Kinetico plans to increase its investment into their national account channel.

“We currently specialize in standardizing custom-designed products for specific commercial and industrial applications, thanks to the help of our OEM partners. Our OEM business remains strong, especially in Europe,” he said.

In the municipal and industrial areas, Kinetico has been shifting focus from direct selling of custom equipment to offering standard industrial and municipal products through OEM-type arrangements. The best way for Kinetico to go to market in those sectors, according to Hurley, is to find areas where its proprietary technology adds value to an integrator’s overall system. “We expect

the market for our Macrolite® media, with its significant advantages in gravity filtration, to grow substantially over the next several years,” he said. It is being actively marketed through several established suppliers that have a broader footprint in the municipal market.

Global perspectives

From Sweden-based Axel Johnson, Kinetico’s parent company, Hurley anticipates improved insights into European markets. Long-term investments in Kinetico’s infrastructure will enable global growth and expansion into additional residential markets with products specifically developed for European families. Additionally, he plans to focus on European commercial and national accounts and to leverage the firm’s commercial relationships globally.

With promising new relationships in India and Australia, Hurley looks forward to re-examining Kinetico’s current product mix for India and China, then tailoring specific products for those individual markets. “Kinetico plans to participate in Aquatec 2008 in China,” he said, “where dedicated Kinetico personnel will look for strategic partners and develop opportunities in these areas.”

Parkson, Kinetico’s sister company, has a strong presence in Latin and South America. “Kinetico plans to investigate potential areas of alignment with Parkson to develop our presence there. In Mexico and Argentina, we will investigate additional opportunities to use Macrolite, especially for the treatment of arsenic,” Hurley said.

Kinetico has been actively involved with the point-of-use (POU) application of regulated contaminant removal for years. The firm participated in studies in California and Idaho and will continue

to promote this as a viable solution to many newly regulated contaminants in drinking water. For contaminants that do not pose acute health risks, there are indeed economic benefits to treating only the water that is ingested as opposed to treating the entire water supply. "While we certainly don't believe POU equipment is the right solution for every contaminant, we strongly believe it has its place in the set of possible treatment options in many cases," he summed up.

Industry involvement

Throughout the years, Kinetico employees have taken leadership roles on various WQA committees. Currently, Rod Yoder and Jean-Pierre Lebacqz are very involved with WQA and Agua Europa, respectively and Kinetico is very active in Canada through the CWQA. According to Hurley, Kinetico will continue to help to support these organizations in every possible way. "WQA lobbying efforts, input on international standards and commonality in regulations help promote our interests as a group," he said.

On the immediate horizon

"Thanks to added resources from Axel Johnson, our investment in R&D will continue to grow. We are very excited about the research projects we are currently working on; many of them will change the industry and the way consumers use and enjoy their water." One such product will be introduced in early 2008.

Fresh eyes

Hurley's coming to Kinetico and the water industry was a result of timing and alignment with some of his broader ca-

reer goals. "Kinetico offered a chance to blend some personal and professional goals into a fresh start and a new intellectual challenge in an industry that is nothing short of exciting," he said. He found that the vision of owners Axel Johnson, the values of Kinetico's founders and those of dealers and employees working for Kinetico today, were remarkably in sync. "That's something one doesn't see too often. Ultimately, the amalgamation of all of these variables made this a very compelling opportunity," he explained.

"Personally, I've always wanted to be associated with a career that leads me down a path where the company I work for is improving or protecting the human experience, through technology deployment or the provision of services. I consider myself fortunate that my career in the electronic security industry and now here at Kinetico is allowing me to realize this. It is really a great place to be at age 46."

What the future holds

From a strategic point of view, Hurley said the firm will continue to increase the gain on organic growth and to improve on the execution of key product development and branding initiatives. "This is a must if we are to fund increased investments we have planned in the foreseeable future," he noted. Kinetico is also looking to expand its global footprint to become more externally aware of the latent opportunities that could really move the needle. "As we refine our strategic planning in the Q2 2008 timeframe, some of those opportunities will more readily crystallize."

Hurley notes that water consciousness is high—media attention has gone

through the roof. He's hoping to capitalize on that posture and make Kinetico more media friendly, so as to help consumers learn to make the choices that make the world a better place. "The present environment couldn't be more opportune for the industry to educate customers on the choices before them. The industry needs to capitalize on this and provide leadership on a variety of ethical, environmental and economic issues under debate. Creating trust and direction will result in sustainable growth for the industry in the right way," he stated.

From Hurley's viewpoint, the potential is unbelievable. With Kinetico's broad range of marketing and product sophistication, there are opportunities for both product and service outcomes to improve for all stakeholders.

"Antonia Axel Johnson wants a family legacy of bringing technology to bear to improve the human condition. Industry has a collective responsibility to create a broader call to action, on an individual and personal level, to improve management and use of our precious resources. This will result in massive opportunity for industry, including the utilities and energy sectors."

"This industry is driven by a common goal—providing the best drinking water—and by positive demand. That's been the biggest surprise to me, coming from the security industry. Different products, different companies—but a single, beneficial focus. I'm thrilled to be a part of it." ♦

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