

SEVENTH-CHILD STATUS A GOOD OMEN FOR HANISH

By Denise M. Roberts

The Hanish Group is a small, privately held company that focuses on innovative products. The company was originally formed as Hanish, LLC. Since the acquisition of Aquest, the group formed a C-Corporation. Thus, the company became C. Hanish, Inc. dba The Hanish Group.

CEO Chris Hanish is the youngest of seven children born to Stan 'Stosh' Hanish, who got his start in the water industry immediately after WWII. Only the younger Hanish followed in his father's footsteps, getting his start by selling and servicing water softeners in 1976 as a sophomore in high school. After graduating from the University of Iowa in 1985, Hanish and his wife Deanna moved to Des Moines, where he opened a Kinetico dealership for another individual. In 1987, Kinetico hired him as District Manager in Wisconsin and Illinois. Hanish has also owned his own dealerships and worked for Water Group and US Filter. In 2002, he founded Hanish Marketing International, (HMI), which he later sold to Layne Christensen in 2005. He formed Hanish, LLC that same year, but did not do any business under that company name until May 2009. In December 2009, C. Hanish Inc. was formed and shortly after that, the firm purchased Aquest Inc. of Elburn, IL. Aquest is the manufacturer of the Aquacore and Aquacore-PLUS whole-house ultrafiltration and/or physical water treatment systems. The Hanish Group is comprised of five divisions: Hanish Water Residential Systems, Delta North America, Hanish Water Animal Performance Systems, Hanish Water Commercial Industrial High Purity and Aquest, Inc. Manufacturing and assembly are accomplished in Elburn.

Hanish Water Residential Systems manufactures the WaterCrest whole-house physical water treatment systems that treat water at every tap in the home for bacteria, virus, cysts, taste, odor, turbidity and scale reduction. Delta North America is the exclusive distributor in North America of the Delta line of non-electric water softeners. "This is the industry's most efficient line of water softeners and the only other non-electric twin-tank water softener in the world, manufactured in Belgium," says Hanish. Hanish Water Animal Performance Systems designs and manufactures highly efficient water treatment systems for dairy, poultry and swine operations. These systems are designed to re-

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move or reduce everything that the WaterCrest does, except at higher flow rates. Hanish Water Commercial Industrial High Purity supplies the industry with a wide range of water treatment systems for both small and large commercial-industrial applications.

The company's newest product is the NanoCeram line of disruptor cartridges that accompany almost every system they design and market. The Hanish Group has exclusive distribution rights to the line, manufactured for it by Argonide Corporation. It's extremely innovative technology that can upgrade just about any existing water treatment system that is currently in service, whether residential or commercial, almost anywhere in the world. "This is game changing technology," Hanish says. "It's the first high-flow cartridge that can treat water for viruses, bacteria, cysts, chlorine, turbidity, tastes, odors and some trace metals, very efficiently and effectively without the use of electricity or backwashing. It fits into virtually any existing 2.5- to 4.5-inch housing. Today especially, when dealers are looking for something relatively inexpensive to sell their new and existing customers, this technology offers them something new to talk about. The dealer is looking for opportunity in simplicity, and there isn't a dealer out there who is not familiar with a Big Blue housing and its reason for being. Combine a 4.5 x 20 NanoCeram cartridge with a Big Blue housing and you have an inexpensive whole-house water treatment system to sell

to the consumer that will perform as no other whole-house system has ever performed before. This is why we incorporate it into every WaterCrest system that we manufacture, which transforms it into the most innovative whole-house system ever offered to the industry at any price." The company is dedicated to offering the most efficient systems on the market today. "We can make the claim that nothing available to the industry is more efficient than any of our technologies," according to Hanish. "Every product in our line is cutting-edge technology."

That's not to say that everything has been perfect or easy. "Honestly, I have to tell you that these are the most challenging times I have ever seen in this industry," he continues. "I often remember my dad reminding me how difficult it was to sell water softeners back in the 40s and 50s, when he would spend his Saturdays walking up and down the downtown streets of Beloit, WI,

wearing a sandwich billboard in an attempt to advertise Lindsay of Beloit. I remember knocking on doors when I was a teenager, during the recession of the late 70s and early 80s. But nothing compares with these times. I think the key to remaining a going concern for start-ups today is to do business the old-fashioned way. We need to learn to function on cash reserves as opposed to cash flow. We're all (the industry) in this mess because we borrowed far too much capital instead of relying on our own cash reserves to get us through lean times.

"What are our five- and ten-year goals? Frankly, we need to focus on the here and now in order to hit even our short-term goals. Given that statement, our focus is on customer service, which is much more difficult to supply in this day and age than one would think. It's a work in progress."

Another issue is working capital. "We've had to supply that all on our own through sales," Hanish says. "You have to price your products correctly and make sure that your receivables are on time. Our suppliers, reps, associates, strategic partners and, most importantly, our customers realize this and they have all stood by our side through thick and thin. The bottom line is that there is very little working capital available to startups today. If you want a \$100,000 (USD) working-capital loan through a bank, you better have \$100,000 in your savings account to secure the loan."

Hanish's outlook for the future is not gloomy but predictive. "These are unprecedented times, not just for the water treatment industry, but for all industries as a whole," he notes. "In our industry, however, I think we're at a crossroads on many levels, particularly with regard to new and industry-disruptive technologies and the distribution channels available to us as OEMs, suppliers and dealers. We're all in this together. It's my

humble opinion that we need to continue to find ways of treating water that are less expensive, less wasteful and more appealing to the consumer, with a focus on esthetics, ease of installation, maintenance and efficient operation. But hard times are usually not synonymous with the acceptance of new technologies. Now more than ever, dealers are hesitant to try new technologies because the last thing they want is for the new stuff not to work, which may result in a lost customer, or worse yet, a lost revenue stream, which are very hard to come by these days. Consumers, however, are on the opposite end of the spectrum. They are looking for new technologies that are less expensive. We have to learn to appeal to them first and foremost, and in so doing we will be able to help the dealer."

"I also believe that today dealers are looking for a strategic partner in their main line suppliers because they're nervous about going it alone in these tough times," Hanish continues. "The dealer remains the heart and soul of the water treatment industry, at least in North America. Unless your plan is to go around them, they are the last line in your distribution strategy. To be a successful supplier, you or a key individual in your company has to understand their root mentality, which means that you have to have the experience of having been a dealer at some time in your career. This rite of passage, however, does not guarantee anyone's success as a company. Today, more than ever, we have to be in lock step with the dealer. There are still some people left in this industry who understand this most basic of fundamentals."

"In the end, it's all about delivering a quality product at a fair price," says Hanish. "As long as we focus in on that, while simultaneously understanding where and how our bread is buttered, we'll be just fine." ♦

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