

OPEESA'S

Outdoor Power Equipment and Engine Service Association

OPE-IN-THE-KNOW

Volume CXLIV, January 29, 2010

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1) HUSQVARNA TURF CARE IN BEATRICE, NE HIRING TO MEET NEW DEMAND

www.beatricedailysun.com

BEATRICE - December 19 -- The November unemployment statistics released by the state Labor Department Friday contained both good and bad news for Beatrice.

The good news, that Beatrice's unemployment rate dropped to 5.7 percent in November, was followed by the realization the city still has the state's highest unemployment rate. The unemployment rate in Beatrice for October was 6.1 percent.

And things could be getting even better.

Officials with Husqvarna Turf Care in Beatrice said the company has hired 60 people since November and needs to hire 100 more to make lawn mowers and turf care equipment.

Husqvarna is the world's largest producer of lawn mowers, chain saws and portable petrol-powered garden equipment.

Charlie Rogers, vice president of operations, said people from 40 or 50 miles away are coming through the door with applications.

Nebraska's unemployment rate dropped to 4.5 percent in November, the state Labor Department said Friday.

That's a decline of four-tenths of a point from 4.9 percent in October, the department said.

Husqvarna officials insist that the latest round of hiring is not just for seasonal equipment.

"Most of this is new demand," Rogers said. "We kind of set a flat target last year for manufacturing. Now it's growing.

"We didn't do any mass layoffs last year or anything. We're trying to increase our production. Basically all of our lines, there's a real influx of orders coming in," Rogers said.

There were about 200 people working at the Husqvarna plant in Beatrice before the new hiring started, Rogers said.

The plant makes a variety of mowers, zero-turn radius mowers, and specialty equipment like sod cutters and aerators.

Demand is coming from "all over," Rogers said, overseas and domestic.

The national unemployment rate also dropped last month, to 10 percent from 10.2 percent in October.

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2) CERTIFIED PARTS CORPORATION ACQUIRES CERTAIN ASSETS OF HOFFCO/COMET

December 22 -- Certified Parts Corporation (CPC), the Janesville, Wis.-based company that purchased TecumsehPower on Feb. 10, acquired certain assets of Hoffco/Comet in an auction Dec. 17, according to *Outdoor Power Equipment* magazine.

CPC purchased Hoffco/Comet's intellectual property, dies, fixtures and tooling, as well as its entire existing parts inventory, shelf by shelf. Although the shelves were somewhat bare, CPC still bought a large quantity of parts. CPC's intention is to maintain the current supply of parts prior to the closing of Hoffco/Comet in October after 60 years in business.

CPC has said it is their intention to maintain a complete line of replacement parts and to be able to offer finished products in the near future. They hope to start shipping in January 2010. You can contact CPC at the following email address: cpc@certifiedpartscorp.com

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3) HUSQVARNA PLANS LEXINGTON SC DISTRIBUTION CENTER

Lexington, SC – December 24 -- Husqvarna will invest more than \$2.5 million in a parts distribution center in Lexington County, the S.C. Department of Commerce announced Wednesday.

A producer of lawn mowers and chain saws, Swedish Husqvarna is the largest foreign-owned operation in the Midlands. The company has about 1,900 workers at its manufacturing facility in Orangeburg County, according to The State's Book of Lists.

Husqvarna will be the principal tenant in a new facility on Charleston Highway. No new jobs are expected to be created, according to the Commerce Department.

"We are pleased to move forward with our plans for the new parts distribution center in Lexington County. This facility will be an important part of our future growth," Lowell Stoelting, director of parts operations for Husqvarna, said a statement.

Husqvarna will lease warehouse space in the Midway Logistics Park and will begin moving into the facility in the first quarter next year.

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4) HUSQVARNA GETS NC FUNDING TO CONSOLIDATE HEADQUARTERS IN CHARLOTTE

Officials with forest and lawn equipment producer Husqvarna say the company will follow through with its earlier decision to consolidate its North American headquarters in Charlotte, thanks in part to sweeteners from North Carolina taxpayers.

State officials decided Thursday to give the company up to \$2.5 million if it doubles its current Charlotte work force of 160 and retains the jobs for nine years.

The announcement is set for 10 a.m. at Husqvarna Forest & Garden on Statesville Road. The company's parent, Husqvarna AB of Sweden, has ties to appliance giant Electrolux, which announced plans last month to move its headquarters to Charlotte.

Husqvarna decided last summer to move its North American headquarters from Augusta, Ga., to Charlotte. But state officials said the company claimed South Carolina offered nearly \$11 million to move just a few miles across the state line.

Electrolux spun off Husqvarna AB, and soon after, the company completed a series of acquisitions, adding to its portfolio of power equipment including chain saws, trimmers, blowers and cutting equipment. It now has 15,700 employees worldwide.

Husqvarna's complex on Statesville Road includes a headquarters for the Forest & Garden division, an assembly operation for some equipment, a distribution center and a test track for the company's riding mowers.

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5) GROUPS WANT MORE TESTS ON HIGHER-ETHANOL U.S. FUEL

WASHINGTON (Reuters) – January 7 - A coalition of oil companies, car and engine manufacturers and fuel sellers told the Obama administration on Thursday not to increase the amount of ethanol blended into gasoline based on inadequate test data.

The Environmental Protection Agency said last month it needs more time to decide on a industry request to boost the level of ethanol in gasoline to 15 percent from 10 percent, but indicated it would likely approve the higher fuel blend for new American cars.

Gasoline approved to have a higher volume of ethanol would help absorb the annual increase in ethanol supplies required by Congress in its attempt to reduce U.S. petroleum imports. The higher blend would help the U.S. ethanol industry, which was hard hit in 2008 by the economic downturn and a drop in crude oil prices to nearly \$30 a barrel. Many companies were forced into bankruptcy and some production capacity was also idled.

Crude oil prices have since rebounded to above \$80.

The EPA plans to make a final decision on so-called E15 gasoline by mid-June.

"We are writing to express our concern that EPA may decide to allow E15 based on limited or inadequate data," the group said in a letter to agency head Lisa Jackson. "We urge EPA to base its decision on a complete and sound scientific record."

The agency already said it was waiting until this summer, so it can review test data on how a higher ethanol-gasoline ratio would affect engines. Initial tests showed vehicles built after 2001 would likely be able to handle E15, the agency said.

However, the coalition said the EPA needs to assess the effects of E15 on the existing automobile fleet, motorcycles and nonroad equipment as well as retail gasoline station pumps and storage tanks.

"As you proceed with important decisions that could affect the long-term success of ethanol and possibly other biofuels in the U.S. market, it is imperative that those decisions be based on a complete understanding of the potential impacts of increased levels of ethanol on all segments of the end-user market," the coalition of 14 trade groups said.

It also said the EPA should reopen the E15 comment period so the public can review the new test data and that the Energy Department should spend all the \$15 million approved by Congress for research on increasing ethanol-blend levels.

The coalition includes the Alliance of Automobile Manufacturers, American Petroleum Institute, Motorcycle Industry Council, Boat Owners Association of the United States and the National Association of Convenience Stores.

The Renewable Fuels Association, which is the trade group for ethanol producers, says the EPA should go ahead and approve intermediate ethanol blends, such as gasoline with 12 percent ethanol, while the agency completes its testing on E15.

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6) GENERAC HOLDINGS PLANS FOR PUBLIC OFFERING

Rick Barrett www.jsonline.com

Jan. 12, 2010 - Generac Holdings Inc., a Waukesha-based maker of portable generators, is closer to becoming a publicly traded company as the generator industry comes out of a tough year.

Generac hopes to be listed on the New York Stock Exchange under the symbol GNRC.

This week, the company updated its prospectus with the U.S. Securities and Exchange Commission. In the SEC filing, Generac says it wants to raise up to \$300 million in a public stock offering aimed at paying down debt.

Details on the price and number of shares to be offered were not yet available, and Generac executives would not answer questions about the prospectus.

Analysts said the deal isn't unusual given that Generac is owned by private equity firm CCMP Capital LLC.

"I think private equity and venture capital firms alike are pinning a lot of hope on being able to take portfolio companies public this year," said Jennifer Rossa, of the firm Dow Jones Private Equity Analyst. "One thing you are seeing is portfolio companies going public primarily to raise capital to pay down their debt loads. This appears to be what Generac is doing," Rossa said.

"In the past, proceeds would have gone for growth purposes, or the private equity firms might have sold more of their shares. This is something we are watching closely," she added.

Generac had \$290 million in sales in the first half of 2009, up more than 22% from a year earlier, according to the prospectus.

But the company also said its business is sensitive to "unpredictable major power-outage events" and noted that its 2007 sales were down more than 18% because fewer storms that year led to fewer outages.

Last year also was difficult for generator manufacturers.

"It did not produce much, if anything, in hurricane business for anyone in the generator business," said Dorrance Noonan, president of Northshore Power Systems, a Milwaukee firm that has a licensee agreement with Honeywell International to manufacture and sell generators in a wide range of sizes. "We hope, with all of the right intentions, that we will see weather events that will be favorable to generator sales," Noonan said.

If successful, Generac's initial public stock offering would be used to pay down first- and second-lien loans.

CCMP bought up \$259.1 million of Generac's debt between September 2007 and July 2009, which Generac exchanged for common and preferred stock, the prospectus said. "It is a highly leveraged company and is taking, in my opinion, the right steps to address its capital structure to assure long-term viability," Noonan said.

In the prospectus, Generac discusses industry conditions that could fuel growth - including an aging U.S. electrical grid.

Power disruptions are increasing because of demand growth, equipment failures and other causes.

"We believe favorable consumer trends provide opportunities for growth for automatic home standby generators," the company said in its prospectus, adding that as the U.S. population gets older it will become more focused on convenience and dependent on electronic devices.

"According to our warranty registration data, currently over 70% of home standby generator owners are purchased by consumers over 50 years of age," Generac wrote.

Others say the need for emergency power generators has been overstated.

Many portable generators, purchased out of fear of blackouts, have never been used.

Businesses, needing to protect computer data, have found ways to back up their systems without the need for power generators, said Nicholas Hayes, a partner with FiveTwelve Group Ltd., a business research and consulting firm in Milwaukee.

Hayes has studied the power generation industry, including the use of generators.

"Businesses have been spending on security and safety-related infrastructure at an unbelievable pace since post 9-11. Industries have been putting in all of these backup generators, and the reality is it's very much fueled by emotion and fear. I think it eventually has to slow down," Hayes said.

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7) TORO SNOWTHROWER PRODUCTION CONTINUES INTO JANUARY

www.keyc.com

Windom, MN – January 11 -- Recent snow has caused headaches for public works crews and travelers, but there is one area business that loves all the white stuff.

And as News 12's Nathan Harrington tells us, it might be good for business but it's also good for the employees as well.

Minnesotans are used to piles and piles of snow during the winter, but this season has been different.

Two big snowstorms in a short amount of time caught some homeowners unprepared to clear the snow from their driveways and sidewalks.

And the people that make those snow blowers were unprepared as well.

Ron Gray says, "Well we had some early snowstorms come through the Midwest and East Coast which is two of our bigger markets and we used up a lot of our annual inventory and had to go in and build some more.

"Barry Voxland says, "We do have a forecasting service that is supposed to predict snowfall, but there's no way to predict how much snow we are going to get. So we got a little more than we thought.

"The Toro Company in Windom thought production of their winter equipment could safely end in December without their assembly line having to be restarted. But today, the line got back to work putting together snow throwers, with demand going up by the thousands.

It's been a good news situation for the Toro Company this winter. Not only is the company having to increase production, their employees are enjoying a little bit more job security during the snowy winter.

Barry Voxland says, "We've been really fortunate because of the snow product, where a lot of plants have seen layoffs and people have been out of work, we've actually been able to keep everybody employed and we're actually hiring.

"And with the extra help they plan on getting, they will get a jump-start on assembling products we'll need once all this snow melts. Ron Gray says, "We're not only building the snow but we've actually started

building some of our lawn product this time too. So we have plenty of enough work to keep everybody busy here.

"And as the largest employer in the city, keeping everybody busy is vital to the success of the community. In Windom, Nathan Harrington, News 12.

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8) ARIENS CO. ADDS KEE MOWER BRAND (FROM HOFFCO) TO LINEUP

www.postcrescent.com

BRILLION – January 14 -- Ariens Co. announced today it has purchased the intellectual assets of the Kee Mower brand of products.

Kee produces high-wheel walk-behind mowers used mostly by rural property owners, landscape contractors and municipalities to cut underbrush, remove heavy overgrowth of tall grasses or weeds, Ariens Co. said in a statement. The company plans to sell Kee Mowers under its Gravely brand.

Ariens will produce the Kee products in Opp, Ala. The company expects start production within the next 90 days. Kee Mowers were most recently manufactured by Hoffco Power Equipment.

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9) BRIGGS ANNOUNCES PAYBACK OF LOST SALARIES TO ITS WORKFORCE

MILWAUKEE, Jan 15, 2010 -- Briggs & Stratton announced today that it would reimburse salaried employees 75% of wages lost during a temporary wage reduction from July 1 through December 31, 2009. The company implemented a 10% pay reduction for all of its domestic salaried employees in mid 2009 and also suspended its 401(k) contributions during that time.

"We had some difficult decisions to make during the recession and our employees really pulled together as a team to help the Company," said Todd Teske, President and CEO. "While there is still a lot of uncertainty with the economy, we are in a position to pay back our employees for a portion of their lost salaries."

On January 1, 2010, the Company also restored its employee's salaries as well as the Company's 401(k) matching contributions. "We will see how the upcoming spring selling season goes before we make a

decision as to whether or not we can repay the remaining 25%," said Teske. "We will try very hard to make that happen." It should be noted that only after all salaried employees are reimbursed 100%, will officers and key executives become eligible for reimbursement.

Todd Teske began his newly appointed position as President & Chief Executive Officer on January 1, 2010. "During this fiscal year, we have had to make some difficult decisions. I really appreciated the way our employees pulled together to not only help us through these difficult times, but also make us a stronger enterprise for the long-term. It is remarkable what people can do when they band together. I am grateful for their hard work and pleased that we can repay them now for at least some of the salary decreases from the last six months."

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10) BRIGGS REPORTS RESULTS FOR THE SECOND QUARTER OF FISCAL 2010

MILWAUKEE, Jan 14 -- Briggs & Stratton today announced second quarter fiscal 2010 consolidated net sales of \$393.0 million and consolidated net income of \$3.0 million or \$0.06 per diluted share.

The second quarter of fiscal 2009 had consolidated net sales of \$477.5 million and consolidated net income of \$3.2 million or \$0.06 per diluted share.

Consolidated net sales decreased \$84.5 million between years, with both reporting segments experiencing lower sales, primarily the result of lower unit volumes. Consolidated net income was fairly consistent between years despite the sales decline. This result reflects better margins caused by lower manufacturing costs and lower engineering, selling, general and administrative costs.

For the first six months of fiscal 2010, the company had consolidated net sales of \$717.7 million and a consolidated net loss of \$5.7 million or \$0.12 per diluted share. For the same period a year ago, consolidated net sales were \$935.6 million and consolidated net income was \$1.2 million or \$0.02 per diluted share. The decrease in the first six months' consolidated net sales of \$217.9 million was attributable to both reporting segments experiencing lower sales, primarily the result of lower unit volumes.

Consolidated net income declined by \$6.9 million between years resulting from lower volumes of product both shipped and manufactured, offset in part by manufacturing and operating costs that were lower than in the same period a year ago.

Engines:

Fiscal 2010 second quarter net sales were \$274.3 million versus \$339.3 million for the same period a year ago, a decrease of 19%.

The decrease resulted primarily from a 15% decrease in engine unit shipments between quarters driven by lower shipments for lawn and garden applications as some OEMs are delaying deliveries of engines to control their inventory investment ahead of an uncertain market environment for the spring of 2010.

In addition, engine requirements for portable generators were down due to the lack of any significant weather events and engine shipments for snow thrower applications were down because of shifts in placement.

Net sales for the first half of fiscal 2010 were \$484.7 million versus \$597.9 million in the prior year, a 19% decrease. This decrease reflects an 18% decrease in engine unit shipments between years.

The first six months sales decline in engine unit volume resulted from primarily the same reasons discussed for the second quarter in addition to light first quarter sales of engines because 2009 summer retail demand for lawn and garden equipment was soft and did not generate the same level of engine reorders that occurred in the prior year.

The second quarter of fiscal 2010 had income from operations of \$18.0 million versus \$22.0 million from the same period a year ago. The decrease of \$4.0 million in income from operations reflects the impact of a 19% revenue decrease and a 6% decrease in production volume offset by lower manufacturing and operating costs, resulting primarily from lower commodity costs and planned cost savings initiatives.

Income from operations for the first half of fiscal 2010 was \$12.1 million, a \$4.4 million decrease from income from operations of \$16.5 million for the same period a year ago. The decrease of \$4.4 million in income from operations was the result of a 19% revenue decrease and a 10% decrease in production volume offset by the same factors described in the quarter.

Power Products:

Fiscal 2010 second quarter net sales were \$156.6 million, a \$35.4 million decrease from the \$192.0 million in the same period a year ago. The lower net sales were primarily the result of a decrease in shipments of portable generator product.

Replenishment demand that occurred because of major weather events last year was not required in the current year due to a lack of weather events. In general, all lawn and garden product volumes were less than those in the same period a year ago, except for stronger snow thrower shipments. All levels of the lawn and garden distribution channel appear to be managing to lower inventory levels ahead of the spring of 2010 retail season.

Net sales for the first six months of fiscal 2010 were \$320.2 million, a \$127.4 million decrease over the same period a year ago. The sales decline was primarily the result of a decrease in sales of portable generators due to no hurricanes making landfall in the United States in the first half of fiscal 2010. Other than a small increase in pressure washer shipments, the other product offerings in this reporting segment had volume declines between years.

The loss from operations for the second quarter of fiscal 2010 was \$4.5 million, an improvement of \$4.1 million over the loss for the same period a year ago. The improvement in the loss from operations for the quarter was the result of lower manufacturing costs, primarily related to lower commodity costs and planned cost saving initiatives.

These improvements were partially offset by lower sales, lower production volumes and \$1.7 million of expenses associated with the previously announced closing of the Jefferson, Wisconsin manufacturing facility.

The loss from operations for the first six months of fiscal 2010 was \$0.9 million, a \$5.1 million improvement over the loss from operations for the same period a year ago. The improvement in the loss from operations between years resulted from the same factors as described for the quarter and was also offset year to date by an unfavorable mix of lawn and garden product shipments. Through the first six months of fiscal 2010, costs related to the closure of the Jefferson, Wisconsin facility were \$3.1 million.

General:

Interest expense was lower in the second quarter and first six months of fiscal 2010 because of lower average borrowings. The second quarter and year to date fiscal 2010 effective tax rates are at 29% and 39%, respectively, versus the 30% and 155% used in the same respective periods last year. The

difference between the effective tax rates for the six month periods was due to the impact of higher levels of discrete items related to foreign dividends in fiscal 2009 compared to fiscal 2010.

Outlook:

The company continues to project that fiscal 2010 net income will be in the range of \$40 to \$50 million or \$0.80 to \$1.01 per diluted share.

Consolidated net sales are projected to be approximately 6% lower between years primarily due to the absence of hurricane related sales of portable generators, selected price reductions to reflect projected lower commodity costs and lower engine shipments to Europe for lawn and garden applications.

Production levels for substantially all products are planned to be lower in fiscal 2010 to decrease our investment in working capital. Operating income margins are projected to be in the range of 4.0% to 5.0%, and interest expense and other income are forecasted at \$27 million and \$5 million, respectively. The effective tax rate for the full year is projected to be in a range of 31% to 34%.

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11) BLOUNT INTERNATIONAL ANNOUNCES BOARD AND MANAGEMENT CHANGES

PORTLAND, Ore., Dec. 22 -- Blount International, Inc. announced today the transition of certain Directors and Executive Officers. The changes include the following:

- James S. Osterman, Chairman and Chief Executive Officer, has retired as an employee as of the end of the business on December 18 but will remain non-executive Chairman of the Board until the 2010 Annual Meeting of Stockholders in May.
- Joshua L. Collins, formerly President, Chief Operating Officer and CEO Designate, was appointed the Company's Chief Executive Officer as of the close of business on December 18. As a result of becoming CEO, Mr. Collins, who continues as a Director, resigned from the Nominating & Corporate Governance Committee of the Board.
- Eliot M. Fried, Lead Director since 2005, will retire from the Board of Directors as of December 31, 2009. Mr. Fried has been a Director on the Company's Board since 1999 and acted as the Chairman of the Board from 2001 to 2005, as well as Chairman of the Compensation Committee since 2007, in addition to numerous other committee assignments.
- Robert E. Beasley, Jr., has been elected a Director of the Company by the Board of Directors to fulfill the director vacancy created by the retirement of Mr. Fried, effective January 1, 2010. Mr. Beasley is the former Chief Executive Officer and is currently a Director of The Hunter Fan Company, an industry-leading manufacturer of ceiling fans and other home environment products. Mr. Beasley's committee assignments will be made at the regularly-scheduled Nominating & Corporate Governance Committee meeting in January.

Commenting on today's announcement, Josh Collins, Chief Executive Officer, stated: "The entire Blount family thanks Jim Osterman for his more than fifty years of loyal service and for his remarkable leadership at the helm of this Company. His insight and decisive actions over several decades helped position the business for sustained growth and long-term success. We wish Jim the best in the next phase of his life

and look forward to continuing our relationship with him in his role as an advisor and consultant to the Company.

"We would also like to thank Eliot Fried for his commitment to Blount and its shareholders through his leadership on the Board of Directors over the past ten years as both the Lead Director and as a past Chairman. Eliot's sound judgment and sage advice have benefited the Company greatly, and we wish him the best in the future.

"Finally, we would like to welcome Bob Beasley to the Board of Directors. Bob's experience as CEO of The Hunter Fan Company for over fifteen years will prove valuable to our Company and our shareholders. Bob has a tremendous amount of experience in marketing, product development, manufacturing and sourcing, and he will be particularly helpful in advising us on our growth plans."

Blount International, Inc. is a diversified international company whose principal business is its Outdoor Products segment, the world's largest manufacturer of saw chain and accessories, with plants in the United States, Canada, Brazil and China. Blount sells its products in more than 100 countries around the world.

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12) SMALL ENGINE MAKERS SPUTTER

www.stocks.investopedia.com

January 19 -- Briggs & Stratton's sales were down 18% from last year's second quarter, as revenues were \$393 million this quarter compared to last year's Q2 revenue of \$477.5 million. Earnings were nearly flat, at \$3 million this year's Q2, while last year's earnings were \$3.2 million; both equated to 6 cents per share. Many of its clients which use the Briggs & Stratton engines in their manufacturing of lawnmowers delayed delivery of engines to work off inventory, so engine sales were down 19% while unit shipments were 15% lower.

Briggs & Stratton's heavy participation in making engines for the lawn and garden equipment manufacturers is not really matched proportionally as a percentage by others in the business. Honda Motor Corp. for example, which manufactures engines for riding mowers and portable generators, is mainly in the automobile business, so their small engine segment is dwarfed by what goes on with their car sales.

Toro, which makes lawn equipment, shows how the related space has been lagging, as its fourth quarter report in December 2009 featured sales that dropped by double-digits while the company predicted dampened outlook for 2010.

Deere & Company known more for its large agricultural equipment than its commercial and consumer lawn mowers, has terrific looking earnings prospects on the basis of global agriculture equipment demand rebounding in the next couple of years.

Likewise, Caterpillar which also makes engines for its niche forestry and mining equipment, is expecting a

rebound in its overall business, in its case, from a severe downturn where its earnings had been more than halved.

Our lawns aren't going to stop growing unless in a fit of frustration we all pave them over, so there is a certain continuing built-in demand for the small lawn mower engine. In an earlier story about Briggs & Stratton's plant closings, the company cited weather factors for dampened demand not just for its lawn mower engines, but also for its portable generator engines, as that demand is partially tied to the hurricane season. In a corollary to the plant closings, the company recently announced it would begin restoring pay to salaried employees who had taken temporary pay cuts, a healthy sign of anticipated better business prospects.

Though revenues are expected to still be off by about 6%, consensus earnings estimates look good for the company in 2010, up slightly. Its focused niche-player status should benefit it going forward as the economy slowly recovers, as some of the pent up demand for lawn and garden and small engine equipment may begin edging back, when in the spring and summer this year consumers may be more ready to buy a lawn mower again.

This is really a well-run company with low debt, a solid position in the marketplace and a good long-term future as a steady grower despite the current slowdown.

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13) BIG BUSINESS PLOTS TO BLOCK EPA

www.thehill.com

January 19 -- Washington's largest business groups are discussing joint legal action to block the Environmental Protection Agency (EPA) from regulating greenhouse gases.

Executives and lobbyists for more than two dozen trade groups met last Friday at the offices of Sidley Austin to discuss the possibility of cooperating in a legal challenge, including the possibility of pooling resources to hire counsel, but no consensus or definite course of action emerged.

With the climate bill stalled in the Senate, the EPA has become the bigger threat in some corporate offices, as underscored by the meeting Friday.

Sources said, however, that not all the participants in the meeting oppose EPA efforts to regulate heat-trapping gases.

One source from a group represented at the meeting described it as a sales pitch from Sidley Austin offering its legal services and making a case for cooperating on a legal challenge.

Representatives from the U.S. Chamber of Commerce, the American Chemistry Council, the American Petroleum Institute, the National Petrochemical and Refiners Association, the National Association of Manufacturers, the American Public Power Association, the Edison Electric Institute and more than a dozen other groups participated in the meeting.

Collectively, the groups represent industries with millions of employees and spend tens of millions of dollars a year to lobby Congress. They have all actively sought to influence lawmakers as they craft climate legislation.

While they hold different opinions about the cap-and-trade bill passed by the House last June, they have stated their preference for legislation versus regulation to deal with climate change.

Roger Martella, a former general counsel at EPA who is now a partner at the Sidley Austin's environmental law practice, opened the meeting with a presentation on some of the legal issues raised by the EPA action. Then he left, leaving trade-group reps to talk for more than an hour about the EPA effort, several sources said.

Martella has already played a role in the effort to challenge the EPA, including his helping Sen. Lisa Murkowski's staff craft an amendment to the debt-ceiling bill in the Senate to delay EPA from moving forward, according to The Washington Post and other news outlets. (It wasn't clear at press time whether the Alaska Republican still planned to pursue the amendment.)

In December, the EPA announced it had determined greenhouse gases represented a threat to human health and welfare. That allows federal regulators to use the Clean Air Act to curb emissions.

In public filings prior to the endangerment finding, energy companies and trade groups argued that regulating carbon and other greenhouse gases through the Clean Air Act would be a regulatory nightmare that could hurt the economy.

The EPA has yet to finalize its greenhouse gas regulations, so there is no specific legal challenge that has been developed.

But energy lobbyists for companies and trade groups said two camps have emerged.

One is likely to challenge the EPA's conclusion that greenhouse gases pose a threat to human health and welfare, a fight likely to raise broader questions about the science behind global warming.

Others are likely to challenge the EPA on the technical aspects of the regulations. Possible points for a legal fight may come over the EPA's efforts to effectively exempt small businesses from the new emissions standards through a so-called "tailoring rule" or the possible conflicts with state regulations, lobbyists said.

This March, the EPA is set to release emission standards for cars and trucks. Automakers have largely bought into the new standards in an agreement with the Obama administration that keeps states from acting on their own until at least 2016.

Tailpipe standards, however, will trigger regulations on stationary sources like power plants as well. This effort is far more controversial and is likely to be the focus of most of the court challenges.

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14) **A BLOUNT FORCE**

www.bizjournals.com/portland

Joshua Collins is no Jim Osterman. He'll be the first one to tell you.

The Harvard-bred and Wall Street-trained Collins took the helm as CEO of Portland's [Blount International Inc.](#) last month, replacing the retiring Osterman, a man who spent half a century with the company that revolutionized the manufacturing of sawchain.

Collins, 44, a five-year Blount board member, says he cannot replicate Osterman's legacy. But he was hired for a different reason, and one that ties to his experience in the deal-making world of investment banking.

"I was put in this position by the board to grow the business," he said.

Collins's strategy is part organic growth and part growth-by-acquisition as he hunts for companies to complement Blount's smaller business units.

Doing so will build on the legacy of a company that dominates its segment of the outdoor products world.

Blount International Inc.'s Portland roots date back to 1946, when Joe Cox developed a cutting chain technology after watching how timber beetle larva chewed through wood fiber. Cox's company, Oregon Chipper Chain, evolved into the Oregon brand of sawchain, Blount's signature product line.

Collins' ties to the company are far more recent.

He is a Spokane, Wash., native, whose resume is draped in camouflage, ivy and the pin-striped suits of Wall Street.

After graduating from the University of Pennsylvania in 1987, he became a Marine Corps. infantryman and served in the Persian Gulf War. He later entered Harvard Business School, where he graduated with an MBA in 1995.

Collins joined the once-vaunted Lehman Bros. Inc. in 1996 where he was principal and managing partner of Lehman Bros. Merchant Banking Inc., the firm's private equity arm.

While there, Collins took the lead in one of the private equity group's biggest deals: the 1999 acquisition of Blount, then based in Montgomery, Ala., in a \$1.35 billion deal that took the company private.

At the time, Blount operated three primary businesses: the Oregon brand sawchain and guide bar business, an ammunition production business, and an automated forestry division that made timber harvesting equipment and tractors.

"The Oregon brand business was what was attractive," Collins said.

With Lehman Bros. in control, the company shifted strategy to focus largely on the sawchain business.

Over time the company sold off the other divisions — the ammunition business went to Minneapolis-based Alliant Techsystems in 2001 for \$250 million, while Caterpillar Inc. bought the automated forestry business in 2007 for \$77.3 million.

In 2002, Blount relocated from Montgomery to Portland, the home of the Oregon brand led by Osterman, who took over as CEO.

Lehman maintained a controlling stake in the company until taking it public again in 2004.

Collins remained tied to the company when he was elected to the board in 2004 to represent shareholders.

He left Lehman in January 2008 — nine months before the company filed the biggest bankruptcy in U.S. history — and co-founded Collins Wilmott & Co. LLC, a New York private equity firm.

But his aspirations weren't necessarily tied to Wall Street.

"What I really wanted to do was be involved with running an operating company," he said.

He takes the helm at a time when the company's annual sales, to be released March 9, are projected to fall 16 percent to \$502 million. Operating income is expected to fall 36 percent to around \$56 million.

Collins believes there are signs of growth in the market, which has been battered by the housing crunch.

The company was able to hold its margins, which Collins called "incredible" in this economy, while the second half of the year marked a significant improvement over the first half.

"The question has become, how much of that positive trend is inventory restocking versus end-use sell-through," he said. "We still don't know."

Perhaps a bigger question is how a company grows when it already dominates a market.

The company's biggest competition comes from Stihl Group Inc., the \$3 billion German maker of chain saws, and low-cost Chinese manufacturers.

Even so, Blount holds as much as 65 percent of the global market for sawchain and more than half of the market for chainsaw guide bars, said Mark Rupe, an analyst with Longbow Research in Independence, Ohio.

"The question is, how big can they become in a market that's not growing much more than (gross domestic product)," Rupe said. "Their next biggest competitor is a massive German company that's not going to be easy to take share from."

The wild card, Rupe said, is Blount's decision to bring in Collins, "a guy with private equity background and a growth bent."

Acquisitions will play a key part in Collins' strategy.

Blount isn't going to buy another sawchain business, Collins said, but it will consider deals that supplement its smaller businesses, such as its segment that makes products like diamond-tipped chainsaws for the construction industry.

There's also ample growth opportunities in the company's \$50 million outdoor equipment segment, which sells more than 12,000 products — like plastic gas cans and weedwhacker string — into the forestry and lawn and garden markets.

Collins estimates that business, with around a 5 percent global market share, could double to \$100 million in the next three to five years.

Meanwhile, Collins said its principal market should grow between 5 percent and 7 percent annually.

To bolster that growth, the company must continue its legacy of innovating in its core sawchain segment.

Blount this year will launch what it calls the PowerSharp system, a new product line of sawchain and portable, do-it-yourself sharpeners that allow chainsaw users to quickly sharpen blades in the field.

"We're innovating continually and know as much or more about sawchain than anybody else," Collins said.

That expertise is largely attributable to a work force in which the average tenure is 17 years, and decades of consistent leadership.

"Really, the leadership up to this point has been a big feather in their cap in terms of placing the company in the position it's in," said Dan Shell, managing editor of Montgomery, Ala.-based Power Equipment Trade magazine.

"It will be real interesting to see how that plays out in the future."

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15) FERRIS' MADISON COUNTY ROOTS RUN DEEP

www.oneidadispatch.com

Monday, January 25, 2010

MUNNSVILLE — The key for a business to survive in today's trying economic times is everyone working together, said Phil Wenzel, president and chief operating officer of the Briggs and Stratton Power Products Group-owned Ferris Industries.

Wenzel said he is proud of the way the some 300 Munnsville employees have responded to the challenges of the recession.

“Our workforce here is just great,” he said. “We all have had to tighten our belts a little bit and be a little sharper, but I think they have really come together to help out. Our people here are very practical, and they’ve all rolled up their sleeves to get the job done.”

While industry-wide commercial mower sales are down an average of 33 percent two years in a row, sales of their product was only down 15 percent, Wenzel said. The purchase by Briggs and Stratton certainly has helped them weather the trying economically times, he explained. It gives them better buying power since they can place orders as part of the group, and when Briggs and Stratton closed a factory in Wisconsin, they sent the production of their high-end lawn tractors to Munnsville.

“We’ve been through a lot over the years and we would have survived this, but under Briggs and Stratton we’ve not just survived but been able to thrive,” Wenzel said.

The business started in 1909 as businessman Jesse Ferris and milking machine inventor William Uebler began the Uebler Milking machine Company. Unfortunately, as a third generation of the Ferris family was running the company by the mid-1980s, their small dairy farm customer base was dwindling along with profits.

Dave Ferris saw another company’s lawn mower and decided they could build one even better, so in 1986 they debuted their first Ferris mower at a trade show in New York City -- and the rest is history. In 1987 they introduced the first-ever hydrostatically driven walk-behind mower, using familiar technology from their feeding machines. It revolutionized a market that until then had seen only belt-driven models and earned Ferris the Innovation Award at Expo ‘89.

In 1998 Ferris again made history with their independent suspension system, riding mower technology that would now cushion the rider from bumps and jolts. This earned them the OEMmie Award for Innovative Engineering Solutions. Also that year, Ferris moved from Vernon to their current location at the old Stockbridge Valley Central School on Main Street in Munnsville.

“That was absolutely a milestone in our history,” Wenzel said of the move. “Without that, we were struggling to get to the next level. We looked around at a lot of manufacturing sites around the area but brick and mortar doesn’t make the company. It’s the people, and this was the best location for our people.”

Simplicity Manufacturing bought Ferris in 1999, and within six months of the purchase their sales increased by 40 percent. An additional 50,000 square feet of assembly area was added to the facility in 2003, and Briggs and Stratton Power Products Group bought Simplicity -- along with Ferris and its other subsidiaries -- in 2004. That sale brought another addition of 10,000 square feet to the Munnsville location.

“One of the key things Briggs and Stratton has done is to recognize that we have a unique culture here that serves the business very well,” Wenzel said. “They have let us keep as much of that as possible and I think that is a credit to their management for letting us do it.”

There’s a lot going on to reach out to new dealers, said Bill Shea, the vice-president of commercial sales.

“It’s not easy out there, but as long as our competition is selling stuff we’re going to sell more,” Shea promised. They are expanding their work with current dealers, as well as looking into areas where their

products haven't seen much of a presence before like Florida and Texas, he said.

Their major selling points are the unique independent suspension, complete product line, best sales support in the industry and the best quality product available, Shea said.

Power equipment built in Munnsville is now available all over the country and beyond, and the Ferris brand is sold locally at White's Farm Supply's three locations in Canastota, Waterville, and Lowville, and at Clinton Tractor and Implement Company.

Art White recalled the beginning of his company's longtime work with the Ferris family, dating back to even before there was a Ferris Industries. One day in the mid-1980s he sat with Jeff Ferris -- then taking orders Uebler Milking Machine Company equipment -- and Scag mower representative Roy "Dusty" Dust at lunch discussing the possibility for them to start building mowers to provide more work in their winter downtime. "Dusty" jumped right on it, White said, and White's Farm Supply is now their oldest dealer and also was the largest in the state and fifth in the nation of Ferris mowers.

"The inspiration was just a thought, as we were talking after the orders were done and we were finishing our lunch I'd asked Jeff what they were building at the time which was about this time of year," White said. "Jeff responded that they had laid off their staff as this was their slow time. I stated that they should be building mowers like what Dusty was selling as all the equipment they already have to work with for the steel they would need to build them with."

White said it has been fun watching the company grow over the years.

"The Ferris line is one of the top manufacturers in the world noted for quality components and innovative design. They pioneered the independent suspension design critical to high speed mowing on lawns with a smooth ride for less operator fatigue as well as less wear and tear on the machine from the smoother ride -- a big plus all the way around. White's takes pride in the lines they represent. Over the 60-plus years of watching trends and different manufacturers we take great pride ourselves in knowing that we only carry the best built as well as value lines for our customers. Ferris mowers are a perfect example of the effort that we work closely to the companies that we carry," he said.

White said often they deal with only a voice on a telephone when communicating with their vendors, but with the proximity of the Munnsville location means they are neighbors as well as business associates. Each of the White's Farm Supply location offers a full line of their products, and the White's sales people regularly attend training and have used many of the products to have their own first-hand experience.

Besides the commitment to quality seen in the Munnsville-built products, another main selling point is the fact that they are locally made, White said.

"Many will come in to buy the Ferris Mowers just because they are built here," he said. "We often find when talking that many people know someone that works there, or often it's a relative. We also find people coming in with someone that does work there to help them with their choices. It is so rewarding knowing what White's has done with the Ferris company and to know that it is putting people to work and helping to support the manufacturing base of this great area. Central New York has a lot to be proud of and you can see it with this fine quality product being built here. You can see the pride in the faces of the employees when we are at the plant; we can only hope that the next 25 years of growth will be as good as the first."

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16) GENERAC RAISES SIZE OF IPO 42.6 PERCENT

NEW YORK, Jan 25 - Private equity-backed generator company Generac Holdings Inc raised the maximum size of its initial public offering 42.6 percent to \$427.7 million on Monday. The Wisconsin-based company had filed to raise up to \$300 million in October. It said that it still plans to use proceeds from the IPO to pay down debt and for general corporate purposes.

The company, which makes generators fueled by natural gas, liquid propane, gasoline, and diesel, was bought by a group led by private equity firm CCMP Capital LLC in 2006. It sells generators to consumers as well as industrial clients such as telecommunications firms.

Generac had sales of \$434.3 million in the nine months ended Sept. 30, up 7.5 percent from the same period a year earlier. It reported a net profit of \$31.1 million compared with a \$40.2 million loss in the year-ago period.

The company narrowed its interest expense loss 34.1 percent to \$53.7 million and nearly tripled its gain on extinguishment of debt.

But Generac said in the prospectus with the U.S. Securities and Exchange Commission that its business is sensitive to "unpredictable major power-outage events" such as storms.

The company plans to list on the New York Stock Exchange under the symbol "GNRC."

Underwriters are being led by JP Morgan and Goldman Sachs & Co.

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17) THOUGHTS FOR THE DAY

IMMORTALITY

"I don't want to achieve immortality through my work...
I want to achieve it through not dying."

-- Woody Allen

CREATIVITY

"The secret to creativity is knowing how to hide your sources."

-- Albert Einstein

HISTORY

Do not seek
to follow in the footsteps
of the men of old;
seek what they sought.

- Matsuo Basho

PERSEVERANCE

Perseverance is not a long race;
it is many short races
one after another.

- Walter Elliott

LIFE

It is in the everyday
and the commonplace
that we learn patience,
acceptance, and contentment.

- Richard J. Foster

GOALS

What you get by
achieving your goals
is not as important as
what you become by
achieving your goals.

- Zig Ziglar

JOURNEYS

Only those who will risk going too far
can possibly find out how far one can go.

- T.S. Eliot

CHANGE

Not everything that is faced
can be changed,
but nothing can be changed
until it is faced.

- James Baldwin

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18) 2010 INDUSTRY EVENTS AND MEETING CALENDAR

2010 - 2011 OPE INDUSTRY MEETING AND EVENTS CALENDAR	
January 19-21, 2010	BTME-BIGGA , British Turf Management and the British International Golf & Greenkeepers Association Show, Harrogate International Center, England
February 2-5, 2010	World of Concrete , Las Vegas Convention Center, Las Vegas, NV
February 7-10, 2010	The Rental Show , American Rental Association Conference and Trade Show, Orange County Convention Center, Orlando, FL
February 10-11, 2010	GIS , Golf Industry Show, San Diego Convention Center, San Diego, CA
February 13-16, 2010	OPEAA , Outdoor Power Equipment Aftermarket Association Annual Meeting, Fairmont Southampton Hotel, Bermuda
February 28 - March 3, 2010	OPEESA , Outdoor Power Equipment and Engine Service Association, Arizona Biltmore Spa & Resort, Phoenix, AZ
March 14, 2010	Daylight Savings Time Begins
April 7-11, 2010	EETC , Equipment and Engine Training Council 14 th Annual Conference, Greensboro, NC Sponsored by Dixie Sales Company
May 4-6, 2010	National Hardware Show , Las Vegas Convention Center and Sands Convention Center
June 20-25, 2010	Skills USA , National Leadership and Skills Conference, Kansas City, Missouri
TBD	OPEI , Outdoor Power Equipment Institute Annual Meeting,
August 29-31, 2010	Gafa (with SPOGA) , International Garden Trade Fair with the International Trade Fair for Sport, Camping and Garden Lifestyle, Cologne, Germany
	IOG SALTEX , Grounds Care, Sports Facilities, Amenities, Landscaping And Estate Management Outdoor Trade Show, Windsor Race Track, Windsor, Berkshire, England
	GLEE , International Garden and Leisure Show, NEC Birmingham, England
October 20-23, 2010	FFA , Future Farmers of America Annual Convention, Indianapolis, IN
October 28-30, 2010	GIE+EXPO , Green Industry and Equipment Expo, Louisville, KY (combining EXPO and the GIE Show)
November 7, 2010	Daylight Savings Time Ends

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19) OPEESA OFFICERS, BOARD, EXECUTIVE DIRECTOR CONTACT INFORMATION

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Outdoor Power Equipment and Engine Service Association OPEESA Officers and Board of Directors 2009 – 2010

Rob	Zucker	Outdoor Equipment Distributors	Raleigh NC	919.876.6937	President	rzucker@oedinc.com
Mark	Vining	Roberts Supply	Winter Park FL	407.657.5555	Vice President <i>Annual Meeting Chair</i>	m.vining@robertssupply.com
Robert	Graham	Engine Warehouse	Houston TX	713.937.4000	Sec/Treasurer	robert.graham@enginewarehouse.com
Bev	DeVriendt	Power Equipment Distributors	Richmond, MI	800.624.2932 Ext. 1485	Immediate Past President	bev@powereqp.com
Bob	Byrne	Sheffield Financial LLC	Marietta GA	770.364.4393	2010 <i>Manufacturer/ Affiliate Rep.</i>	bob@sheffieldfinancial.com
Gary	Bussell	Golden Eagle Distributing Co.	Rocklin CA	916.645.6600	2010 <i>Benchmarking Chair</i>	garyb@goldeneagledist.com
Todd	Winstead	Tidewater Power Equipment	Virginia Beach VA	800.825.4300	2011 <i>Membership Chair</i>	twinstead@tpeco.com
Pete	Yunker	Power Equipment Systems	Salem OR	503.585.6120	2011	petey@pesnet.com
Virginia	O'Neill	O'Neill Associates	Victor NY	585.924.7494	2011	Virginia@oneilloutdoor.com
Greg	Imus	Maruyama			2011 <i>Manufacturer/ Affiliate Rep.</i>	g_imus@maruyama-us.com
Tim	Congdon	Congdon Associates Dist. Co	Phillipsburg, NJ	908.213.0303	2012	timc@cadcodist.com
Nancy	Cueroni	OPEESA	Essex, CT	860.767.1770		info@opeesa.com

FOR MORE INFORMATION ABOUT OPEESA, PLEASE CONTACT:

**Nancy Cueroni
Executive Director
37 Pratt Street
Essex, CT 06426-1159**

Tel: 860-767-1770

Fax: 860-767-7932

Email: Info@opeesa.com

Web Site: www.opeesa.com

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