

Republic Diesel moves parts departments to Jennings Lane

BY ANDREW ROBINSON | STAFF WRITER
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When Republic Diesel Inc. purchased across-the-street neighbor A-C Brake Co. in May 2008, company officials told Business First that more shop space would be needed down the road.

Four years later, that move has happened for the company, which is a combination of two of Louisville's oldest independent vehicle parts suppliers, both of which were founded in the early 1900s.

These days, the business of fixing truck engines and transmissions and selling truck parts has remained strong enough to put Republic Diesel Inc. in a position to combine its two parts departments in a new parts-distribution facility at 4670 Jennings Lane.

Republic Diesel started using the building on May 30, after employees assisted in moving \$2 million worth of inventory to the new facility in two and a half days, general manager Chris Redden said.

The company purchased the 20,000-square-foot facility last June for \$375,000 and spent about \$650,000 on renovations. The work included eliminating the loading docks and installing new ones that are even with the ground, making the warehouse more accessible, president Steve Gettelfinger said.

Republic Diesel relocated 35 employees in its parts, inventory and sales departments to the Jennings Lane building.

New uses for College Street space

Republic Diesel's headquarters will remain at 305 E. College St., where there will be more room for existing operations.

Those include new and used engine and components parts sales as well as operations that involve engine machining, general machining and welding, and repair of drive-lines, which transmit power from an engine to the wheels of a vehicle.

The company's engine-rebuilding operation will relocate across the street into the former A-C Brake Building.

Republic Diesel also will continue to operate facilities in

Prestonsburg and Lexington in Kentucky and in Jeffersonville in Southern Indiana.

Growing without adding

Gettelfinger said that consolidating Republic Diesel's parts-distribution operations will allow the company to improve efficiency by having employees and inventory in one place.

Since the acquisition of A-C Brake, employees frequently went back and forth between the established parts departments of what had been separate businesses on College Street.

Redden said a number of employees had been doing many of the same tasks in the separate parts departments.

"Now I can more define people's job duties," Redden said.

A good location

Gettelfinger also expects the move to reduce costs and improve profits even though staff levels remain the same.

"The new location will provide better response time and service to customers, and that's how we'll grow the business," he said.

Gettelfinger declined to disclose the company's sales



REPUBLIC DIESEL INC.

Business: Supplying truck parts, repairing truck engines, transmissions

Founded: 1911

Locations: 4670 Jennings Lane; 305 E. College St.; additional locations in Prestonsburg and Lexington, Ky., and Jeffersonville

Employees: 150

Web site: <http://republicdiesel.com>

From left: Justin Metcalf and Doug Sowder wrapped boxes of parts to be stored in Republic Diesel's new warehouse on Jennings Lane.



Steve Gettelfinger

figures, but he said for at least 14 consecutive years sales have increased 10 percent to 15 percent — aided during the recession by the addition of A-C Brake accounts.

Gettelfinger expects more business-to-business opportunities at the new location because of the large amount of industry and truck traffic nearby in the Newburg area.

He said he also expects more walk-in business.

A strong independent

Republic Diesel's success is appreciated in the realm of independent parts resellers as their ranks have shrunk in the wake of consolidations and acquisitions by industry giants.

That's the take of Tina Alred, director of sales and marketing for HDA Truck Pride, a St. Louis-based provider of parts and service to the commercial aftermarket, including Republic Diesel.

She noted that Republic Diesel's purchase of A-C Brake prevented it from being sold to a conglomerate or private-equity firm.

Alred said it is very unusual to see a move such as Republic's purchase of another independent after-market distributor. "They have definitely helped the entire independent aftermarket grow and prosper."

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TOPIC

Uninsured and underinsured motorist coverage

ADVICE

All auto insurance policies written in Kentucky must include Uninsured Motorists (UM) coverage to protect the driver and occupants of the insured vehicle in the event they are injured by the negligence of an uninsured driver. Underinsured Motorists (UIM) coverage, which protects against the negligence of an insured driver without enough coverage to fully compensate the occupants of another vehicle for their injuries and economic losses, is not mandatory and must be specifically requested.

After years of representing people hurt in motor vehicle accidents, I believe one should have as much UM and UIM coverage to protect themselves and their family as they have liability coverage to protect their assets. Although I can't quote statistics, your insurance professional will probably verify that a significant percentage of injury accidents are caused by individuals who are either uninsured or underinsured. They are most often youthful drivers or those with little economic incentive to protect their assets.

The \$25,000/\$50,000 "minimum limits" UM and UIM coverage I sometimes see on injured clients' policies, with much higher liability limits, could have been increased very economically. Both coverages are inexpensive when compared to the cost of liability coverage and, quite often, the lack of adequate UM or UIM coverage results in a grossly inadequate recovery for a seriously injured client.



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TOPIC

Standard form construction contracts may cause uncommon results

ADVICE

Standard form contracts are common in the construction industry. Whether it is the AIA Standard Form contracts, ConsensusDOCS, or some other form of standard contract, few players in the construction industry will balk at their use. And the widespread use of standard form contracts breeds familiarity with contract terms that the construction industry expects.

Amongst the standard terms are ones governing insurance on the project, including the standard indemnity provisions, waivers of subrogation, and insurance obligations. Unfortunately, we do not live in a standardized world.

Specifically, the standard obligations in the construction contract may be contrary to the requirements in the parties' individual insurance policies. So upon the execution of the construction contract, a party may be in breach of either its insurance contract or the construction contract, or both. A party to a standard form construction contract should study the terms of the contract to ensure it is not left exposed by the contract's obligations that could operate to nullify the party's insurance policy.