



*BG Products innovates to meet the needs of its customers.*

*By Bianca Herron*

The team of John Thompson, Sam Parks, Don Walton, O.J. Connell, Q.T. Williams, Don Broadbent and Roy Leslie founded BG Products Inc. in 1971 with one goal in mind: to sell quality automotive products.

That same year, the Wichita, Kan.-based company released its first two products, Engine Tune-Up and RF-7. BG went on to sell more than a half-million dollars' worth of products and grew 17 percent by 1973. The following year it grew 20 percent and continued to have significant growth until the economic downturn in 2008, says Director of Operations Jeremy Henry.

The growth stopped and BG “plateaued for a while,” Henry recalls, weathering the downturn because of its ability to be nimble and pivot when necessary. “Our distributors were critical for us during that time because they had to react,” he explains. “They normally dealt with new car dealerships, but at that time car dealerships were shutting down. We had to reevaluate what we do, which has made us successful.”

BG began focusing on fleet vehicles, including city and state vehicles such as public transit buses and trains. “That’s where we really started to develop our diesel products,” Henry says. “To stay relevant we had to remain customer focused and constantly improve our products. Our goal has always been to figure out how we can extend the life of the vehicle.

“If you’re not buying a new car that means you want your current car to last longer,” he adds. “The best way to do that is to clean it out and extend the life of your fluids, which is basically what BG is here to help you do.”

Planning for the future has been a key to BG’s success, Henry adds. “We plan for where we want to be,” he explains. “A lot of companies are afraid to spend capital and make investments, but when you know your growth plan and follow it, positive things happen.



## Improvement Efforts

BG Products is committed to maintaining vehicles through high-quality automotive maintenance services for fuel system, engine, transmission, brake, power steering, cooling, battery, drive line and climate control systems. Today, more than 100,000 dealerships, independent shops and franchises use its products, services, tools and equipment to perform BG Automotive Maintenance Services on consumer vehicles.

The initial supplier of all BG chemistry was sold in the 1980's to a new company, Witco, which promptly closed the company's Wichita, Kan., facility. Not long after, BG purchased the facility and started developing its own products and capitalizing on its existing products.

In 2013, BG opened a 400,000-square-foot facility in El Dorado to manufacture all of its fuel products. Its distribution center is also located nearby and BG is currently expanding it by 120,000 square feet and plans to begin printing its own labels by the end of 2018.

As the maintenance requirements of ever-changing, sophisticated engines have grown over the years, BG has kept pace with a commitment to education. This resulted in the founding of BG University in 1999 and the development of the BG Certified Service Advisor learning management system in 2011. BG is also building a new state-of-the-art laboratory training facility in downtown Wichita.

"Every two months we hold BG University, or BGU," Henry says. "It's an opportunity for distributorships around the world to send us their salesforce to be trained on a certain topic for a whole week, including how to sell our products. It's a very extensive and intense training during that week."

Due to its distributorship model, BG "relies heavily" on its distributors and their salespeople. "Our products are in 65 countries and we have nearly 75 domestic distributors; each one has their own territory," Henry says. "So when we want to grow it has to be a global effort because it has to encompass all our distributors and their sales territories."

BG works with hundreds of suppliers and strives to make – and maintain – world-class partnerships. “I believe you have to treat everyone fairly and with respect,” Henry says. “We’ve had long-term relationships with many of our suppliers including a local carrier, Metro Express.”

Henry notes BG has been partners with Metro Express since 1982 and has maintained the relationship because Metro Express is a quality partner. When choosing suppliers, the bottom line is not always the deciding factor for BG, but quality is.

“I think service is important to ensure the quality of our product going out of the door is excellent,” Henry says. “We drive sales by having the best product on the planet, and going above and beyond for our customers.”

### **The Dieselization of America**

Consumers are not only demanding power and torque, but also improved fuel efficiency. These market needs have caused rapid development in the automotive industry, says Henry. He adds that OEMs are combining technologies – variable valve timing, hydraulic actuation, low-tension piston rings and gasoline direct injection (GDI) – to achieve a goal of small-engine efficiency with big-engine power.

“At BG we know that with innovation comes opportunity,” he says. “That, and it’s not always possible to have your cake and eat it, too. Inherent problems, with each of these technologies, affect the oil and fuel systems.”

One such technology, GDI, has become increasingly popular in recent years, according to Henry. “In 2014, GDI vehicles held a 38 percent market share in the light duty passenger car market,” he explains. “The American GDI market will continue to grow as OEMs and consumers push for higher engine compression, leaner burn combustion and better fuel efficiency.

“However, gasoline fueled engines aren’t the only mode of internal combustion that can achieve ever-demanding power and fuel efficiency goals,” he continues. “In fact, there is an engine capable of reaching EPA standards that has been around for more than 100 years. In the U.S., this engine suffers from a bad rap: the diesel engine.”

Henry notes that today’s diesels are indeed different from the diesels of 40 years ago. “Reputation is the biggest mound diesel manufacturers must climb,” he says. “Volkswagen leads OEMs in this movement, quashing common diesel myths calling them “old wives’ tales” in its TV spots for the 2015 VW Passat TDI Clean Diesel.”

For the past few years, BG has focused on the impact of GDI engine design.

“Now, with diesel vehicles rapidly gaining market share on a global scale, it’s crucial that BG sales reps start to expand their focus,” says Technology Director Dustin Willhite. “BG reps in the U.S. focus primarily on gasoline vehicles because that’s the popular engine. But as CAFE standards tighten, light duty diesel prevalence will increase and our people must be ready to meet that need.”

Although the diesel market is “intimidating and unknown” to most reps, Henry adds, most reps don’t understand how similar GDI and diesel engines really are.

“Diesel engines have always used direct fuel injection, injecting fuel directly into the combustion chamber at the top of the compression stroke initiating and controlling combustion,” he explains. “Additionally, both diesel and gasoline direct injection engines have serious issues with carbon buildup in the intake and on the backs of intake valves.”

Just like the new technologies in gasoline engines, the best solution is preventive maintenance with the BG Diesel Performance Oil Change Service, Henry says.

“Sometimes it’s easier just to avoid the different, complex, incredibly fuel efficient engine,” he says. “But OEMs aren’t avoiding diesels. Consumers aren’t avoiding diesels. BG is most certainly not avoiding diesels.”

BG's technology department is innovating maintenance solutions for the diesel market every day, Henry adds. "The BG Diesel Performance Oil Change Service is the most powerful maintenance solution for diesel engines and includes BG EPR® Engine Performance Restoration,® PN 10932, BG DOC® Diesel Oil Conditioner, PN 11232, and BG 244® Diesel Fuel System Cleaner, PN 24432," he says. "Now is the time to dig in because the future's coming and diesel is in it."

### **People Oriented**

BG's small but mighty team of 300 employees allows it to be nimble and pivot when necessary. Henry says the company's ability to cultivate leadership is one of the things he is proud of.

"I'm most proud of the team I work with and that I've seen develop," he says. "Two years ago I was able to give out nine promotions to create four jobs. BG believes in giving people the opportunity to do their job the best they can and help others grow. I'm big on seeing how others around me, including the managers I work with, can impact other individuals."

Henry notes he holds a monthly meeting with his team to discuss BG's performance, but he also talks about motivation, leadership and what it means to return an investment back to BG.

"I'm happy to be a part of the development of our people," he says. "I tell my team and everyone else that BG is a people-oriented company. That means we care about you as a person, your family and whatever challenges you are going through."

He adds that it is a two-way relationship with BG and its employees. "BG provides them with what they need to succeed at work and in life, but also we expect them to bring their 'A' game," Henry says.

### **Strategic Growth**

Looking ahead, BG Products aims to continue being innovative, providing the necessary products to its customers.

"We're focusing on capitalizing the good qualities of our chemistry and helping our distributors to take them even further," Henry says. "For example, our product BG 44K, which is a fuel injector cleaner, is what put us on the map. It's a product that I and any other consumer can use easily. All you have to do is pour it into your gas tank every six months. Those are the kind of solutions we look for."

He adds that in 2018, "we are thinking about how we can creatively empower and enable our distributors to grow," Henry says. "This includes providing them with marketing tools and looking at efficiencies to help them cut costs from an operations standpoint, and better packaging."

Henry has been with BG for 14 years, working his way up from a fork truck driver, and notes in the last five years he has noticed BG has become more strategic.

"Now we're not only thinking about how we can do something locally, but also globally," he says. "Additionally, if a product sells great in one market, we'll now develop a marketing plan to test that same product elsewhere to see if we can expand our reach."