BEGINNING IN LATE 1990, Butcher Air Conditioning began an aggressive move to expand its wholesale operations and in the last 18 months has added service and retail locations. The resulting increase in revenue—from about $9 million in 1995 to $16 million in 1997—jumped Butcher from No. 86 to No. 41 in the 1997 Air Conditioning Dec. Top 100.

"It worked out better than expected," says Thomas P. Butcher, company chief. "We now have over 100 dealers buying from us, and we will be expanding further."

Butcher Air Conditioning had already enjoyed over 40 years of solid business in Lafayette when opportunity knocked, and it took. A shift in marketing strategy by Trane Central Air Conditioning and Heating played an emphasis on wholesale distributors, and many dealers who once had what were essentially factory stores became independent dealers. Butcher took up a large chunk of that wholesale business, assuring the dealers in several states who had worked through Trane's New Orleans branch.

"It can be traumatic when you expand that rapidly," Butcher says only modestly. "Our computer system crunched under the load. We had to set up a warehousing operation in Jackson, Miss., to efficiently serve our expanded area. It took a lot of hard work, but now we're satisfied that we're moving forward."

One key to making the transition successful, Butcher notes, is the experience the company brings into the mix from its own highly successful retail operations. "Many dealers were a little apprehensive about becoming independents," he says. "We worked hard with them on support and training. We helped them with their internal business organization, with developing their service business and marketing."

"What we know about this business we didn't read in a book," he adds with a smile. "We've been out there successfully doing it for years."

Butcher's work with dealers downstream was so successful that it has become a model for Trane. And the dealer program, with its stress on service and marketing, has increased business for the dealers, which of course is good for Butcher.

"Most of these dealers have four or five thousand established customers," he explains. "We think it's important to tell a customer about new products rather than sitting around waiting for his old unit to break. And if you are giving good service, you have a good chance to be the one who does replace a unit."

The fact that newer units are more economical and energy efficient makes them attractive to customers, Butcher says. "Our dealers find that if they make their customers aware of the energy and cost savings of new units," he says, "they'll sometimes make a sale simply on that basis. And if the information wouldn't have been presented, then, no sale."

Butcher says that the successful rapid expansion of the company wouldn't have been possible without strong middle management. He's also happy to be able to have his two sons in the business with him, one in retailing and one in finance.

"Last year turned out outstanding," Butcher says. "We believe we can do even more in 1995, by adding to our dealer base and by helping all of our dealers do better themselves."