



Hale Trailer Brake & Wheel in Allentown PA balances trailer sales and rental operations with parts and service. Shown in front of a building housing the parts and Parker Inc manufacturing operations are: Barry Hale, owner; Dave Tomasello, executive vice-president; and Jerry Palguta, general branch manager in Allentown.

Hale Trailer Boosts Service Capacity, Expands into Truck Equipment Business

By Foss Farrar

HALE Trailer Brake & Wheel has strengthened its position as a full-service trailer dealer and expanded into the truck equipment business with the acquisition of a branch in Allentown, Pennsylvania.

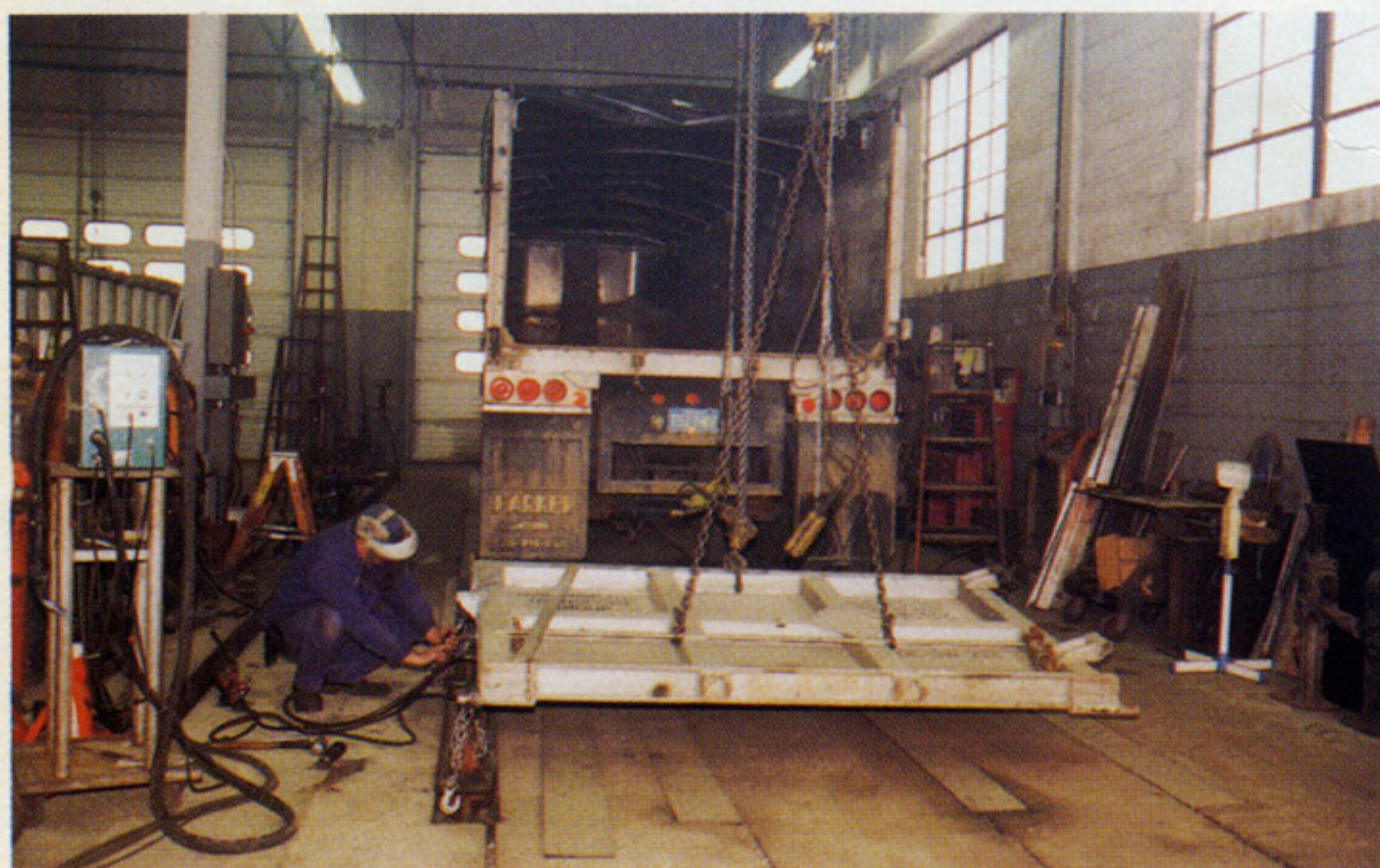
The former Hale Trailer & Truck Equipment changed its

name to Hale Trailer Brake & Wheel to reflect its expansion into new markets. In June 1994, the trailer dealer purchased the former Allentown Brake & Wheel, a strong repair and aftermarket parts operation in Allentown. Hale merged its dealership in Bethlehem, Pennsylvania, with the Allentown company.

"Our former name included the words 'truck equipment,' and we sold truck equipment, but 99% of our business was trailer-related," says Barry Hale, company owner. "But in Allentown we offer a full array of truck equipment-related products."

The company now offers products in the truck accessory and truck body businesses that were not previously offered. For example, the Allentown branch is one of the top US distributors of Meyer snowplows. That branch also distributes Knapheide platform, grain, and service bodies and Galion dump bodies.

Hale now produces custom-manufactured dump bodies and trailers. Along with Allentown Brake & Wheel, the trailer dealer acquired an affiliate company, Parker Inc, a dealership



Each drive-through bay has two electrically operated chain hoists. Straightening rails in the floor are used to repair wrecked vehicles.

that sells new and used trailers including Parker aluminum dump trailers and truck bodies manufactured by Allentown Brake & Wheel.

"We decided to expand into truck equipment because of the Allentown acquisition," Hale says. "The employees at this branch have an expertise in truck bodies and equipment, and we hope to export that expertise to our other locations."

Hale's other branches are in Marlton, New Jersey (company headquarters), and Portland, Maine. Trailer sales and rentals make up a large percentage of total sales at these branches. Hale has decided to expand into truck equipment sales gradually, starting with the Allentown and Marlton branches. One salesman at each of these branches is assigned specifically to work on truck equipment lines.

The trailer dealer remains one of the top Dorsey distributors in the country, and specializes in providing walking floor trailers. Hale also distributes Keith walking floors, East dump trailers, and Peerless chip trailers.

"A strong accessory to our business is the walking-floor line," Hale says. "We sell new and used trash transfer, agriculture, and chip trailers. We installed over 300 walking-floor kits in 1994. We are heavily involved in selling aftermarket parts for both Keith and Halco floors."

Combined sales at the three Hale locations in 1994 were over \$60 million.

'Super Service' Center

The 80,000-sq-ft Allentown branch provides the trailer dealer with a new "super-service" center that helps balance trailer sales and rentals with service and parts at the three



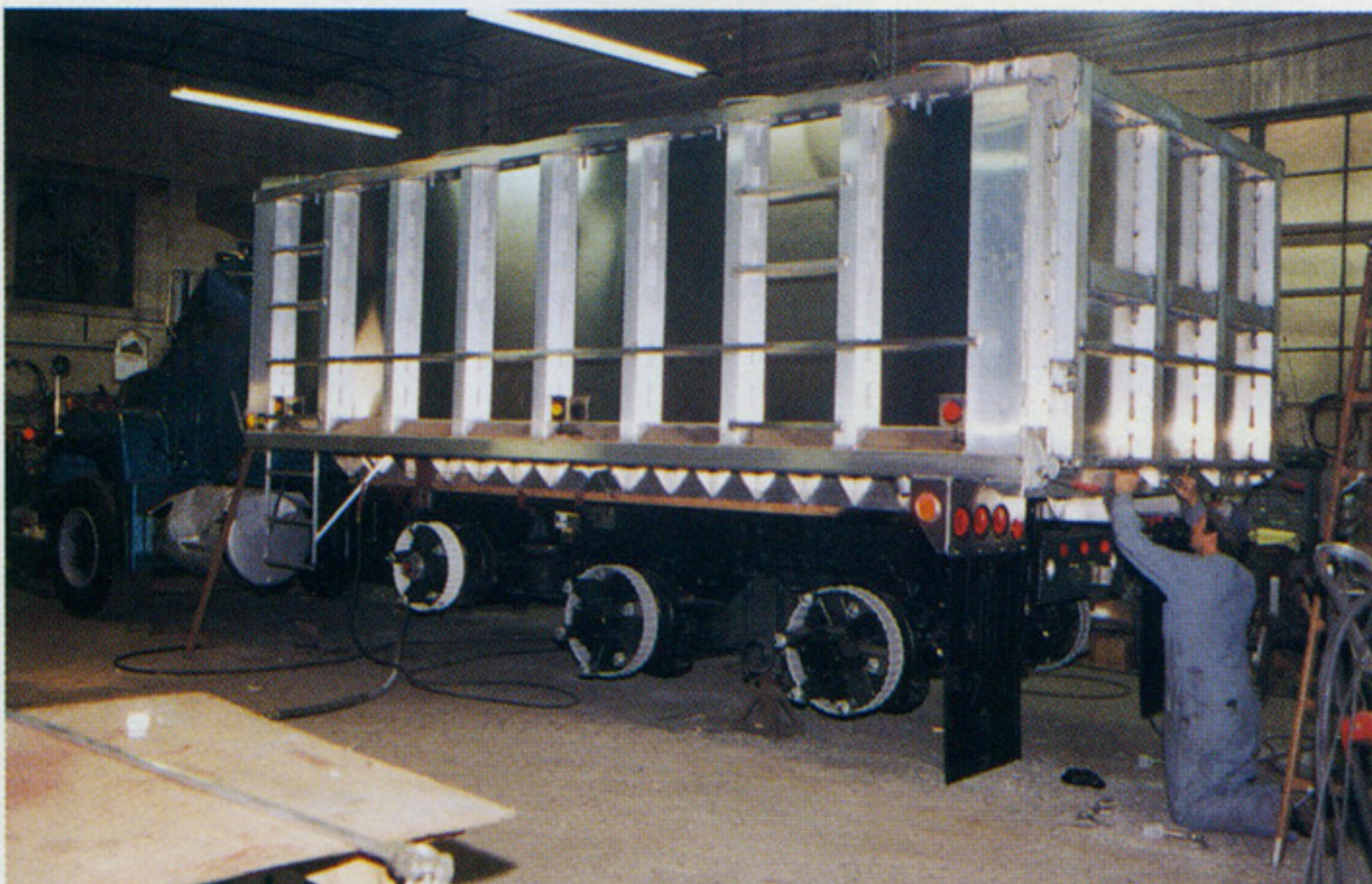
In the older section of the shop, 10 bays are used for truck body and accessory installation and repairs, trailer repair, and chassis modification.

company locations, Hale says.

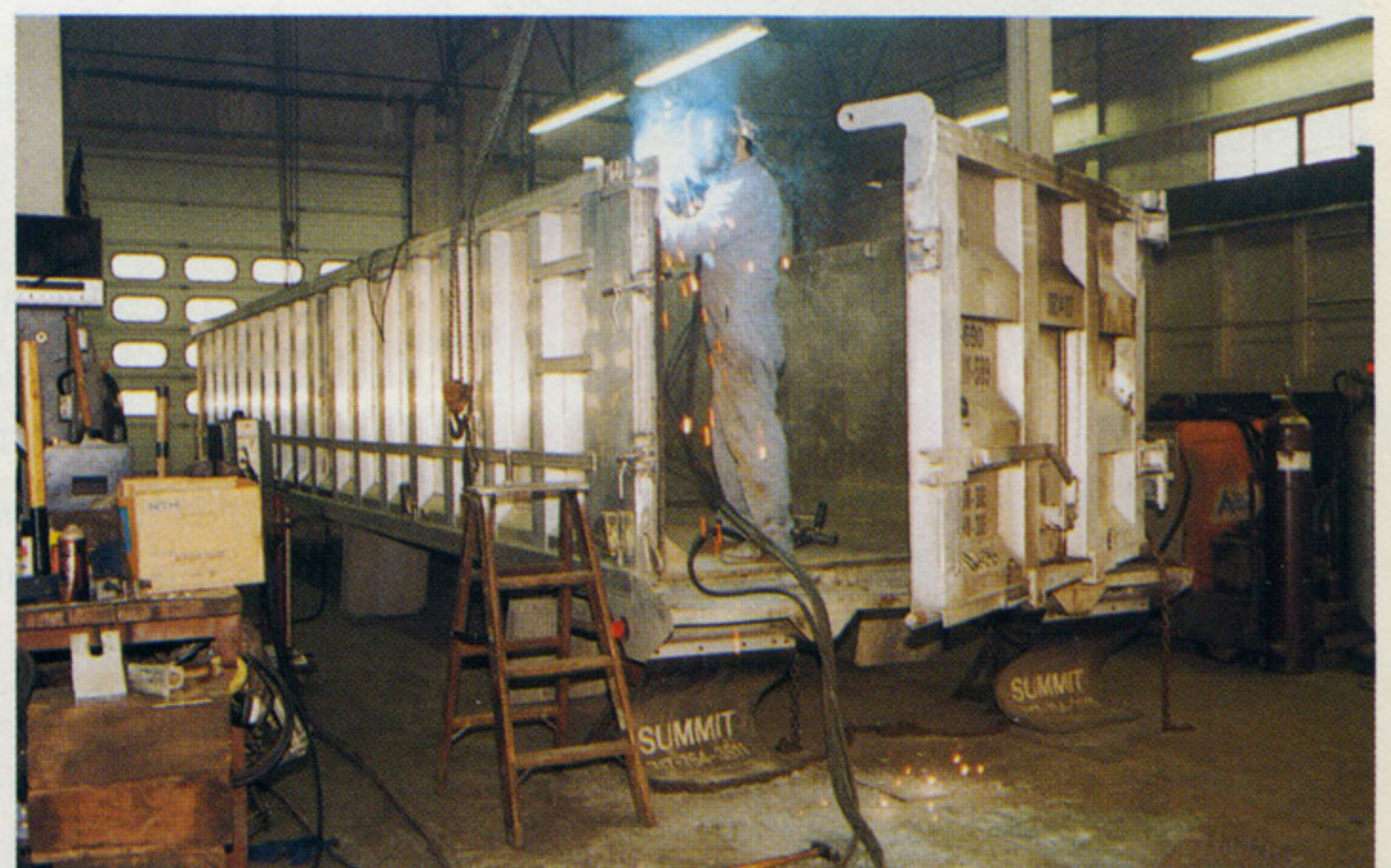
At the Allentown branch, the sales-rental and parts-service operations contribute about equally to total branch sales. The Marlton and Portland branches place a heavier emphasis on sales and rentals, which make up about 90% of the business at these locations. Service and parts make up the remaining 10%.

"The purchase of the Allentown branch has furthered the company's strategy of being a full-service business," Hale says. "The service facility in Allentown complements our sales and rental business because now we can provide service for practically any product we sell at any location. For instance, we sell refuse trailers, and the Allentown operation is well equipped to repair these trailers."

When Hale acquired Allentown Brake & Wheel, the trailer dealer closed a smaller branch in Bethlehem that had been established in 1987. The Bethlehem branch, only 10 miles from Allentown, was strictly a trailer sales and rental opera-



A 17½' Parker aluminum dump body is installed on a Mack CH series truck. Nine technicians produce customized dump trailers, bodies, and chassis.



Dump bodies are repaired in one of four specially designed bays with a 24' ceiling height.

Hale Trailer Brake & Wheel...

tion and grew to include eight employees. Operations of the two businesses were merged at the Allentown location.

"Trailer rental has always been a major part of the mix for Hale Trailer," says Dave Tomasello, executive vice-president of Hale Trailer. "But for Allentown Brake & Wheel, it was a small segment of the business. When we acquired the company, Allentown Brake & Wheel had a small rental fleet of 100 trailers, which we now manage along with our rental fleet." The total number of trailers in Hale's rental fleet is 2,500.

All 40 employees who worked for Bernie Berman, previous owner of Allentown Brake & Wheel, now work for Hale. When Berman retired after 25 years as owner, he asked Hale to purchase the company.

"Bernie's family had been in the transportation business for many years in Allentown, and he wanted somebody to continue operating the business," Hale says. "He thought we were the proper candidates to see this business continue and thrive."

Hale Trailer was interested in Berman's offer, Tomasello adds, because trailer sales in Bethlehem had increased greatly. However, Hale could not provide aftermarket support for its customers in Bethlehem because the



Hale Trailer carries a full line of trailer and truck equipment parts supplying fleets, jobbers, small parts houses and repair companies, plus the Hale repair shop.

branch had no shop. "When this offer came, we already were considering the options of building a shop in Bethlehem or buying another facility," he says.

Besides providing Hale more service capability, the new branch also expands the dealer's product line. With the acquisition, Hale picked up Parker, which carries the Trailmobile, Transcraft, and Fontaine trailer lines.

Convenient Location

The Allentown branch has two buildings across the street from each other. They are conveniently located within a triangle bounded by US Route 22, I-78, and the northeast extension of the Pennsylvania Turnpike, and are less than a mile from any of these major east-west and north-south highways.

One building contains offices, a 30,000-sq-ft shop where Parker dump trailers and specialty bodies are manufactured, and a 30,000-sq-ft parts warehouse. Across the street, the other building houses a 14-bay repair shop. Outside the shop is a six-acre lot where rental vehicles are parked. Also on the lot is a 12' by 60' office trailer used as the trailer rental office.

Nine fulltime technicians work in the fabrication shop producing built-to-order aluminum dump trailers, chassis,

and bodies primarily for regular customers, some of whom have done business with the Allentown branch for 30 years, says Jerry Palguta, general manager of Hale Trailer Brake & Wheel in Allentown. The shop is equipped with a 12' shear and a 12' press brake.

Custom Trailers

"We don't try to compete with the major trailer manufacturers," Palguta says. "Parker products go to customers



Ed Egan is sales manager at Allentown Brake & Wheel.



A mechanic on a scaffold repairs a Dorsey van.



A six-acre lot at the Allentown branch is home base for about 800 of 2,500 trailers in the Hale rental fleet.

Hale Trailer Brake & Wheel . . .

within a 200-mile radius of Allentown, mainly to aggregate, coal, sludge, and waste haulers."

The Parker trailers have a localized appeal to customers in the Allentown area because they are sturdy and hand-built, and not because of any technical or regulatory reason, Hale says. "For our customers, owning a Parker dump body is like owning a well-crafted instrument," he says.

Hale benefits from a large aftermarket parts operation in Allentown. The 30,000-sq-ft warehouse contains a \$1-million parts inventory.

"Because of relationships with parts vendors that were developed over the years, Allentown Brake & Wheel was able to buy parts more economically than we could," Tomasello says. "Acquiring the parts operation has had a synergistic effect on Hale's overall business."

Hale carries a full line of trailer and truck equipment parts. It supplies everything from lights to oil seals to complete suspensions, Palguta says. The parts department supports the branch's service operation, and approximately 30% of all parts inventoried by the company are sold as repair parts to the service department. The remaining 70% is sold to fleets, jobbers, small parts houses, and repair companies. Hale also sells a large volume of parts to walk-in customers from its parts counter at the front of the warehouse building.

Four-Bay Addition

In 1989, Allentown Brake & Wheel built a four-bay extension to its 10-bay repair shop, bringing the total number of service bays in the repair facility to 14. The addition is designed especially for dump body repairs and has a ceiling that is 24' high, compared to a 20' ceiling in the older part of the shop.

Each drive-through bay has two electrically operated chain hoists so that equipment can be handled conveniently by one mechanic. The bays are equipped with straightening rails in the floor for repair of wrecked trailers and bodies.

Four of the 10 bays in the older section of the shop are used for trailer and body repairs. About 50% to 60% of these

repairs are on trailers in the Hale rental fleet. The other six bays are used mostly for chassis modification and truck body and accessory installation.

"This is not a run-of-the-mill trailer repair facility," Hale says. "Our mechanics are real craftsmen of the Pennsylvania Dutch mold. We have customers who come from 300 miles away to get their dump trailers repaired."

The six-acre lot outside the repair shop is home base for about 800 of the 2,500 trailers in Hale's rental fleet. Rental operations at all three Hale branches are coordinated using IBM-compatible computers and software custom-designed for Hale.

"We specialize in month-to-month rental, though some of our customers have long-term leasing agreements with us," says Bob Arndt, who works in rental operations at the Allentown branch.

Combining the operations of Allentown Brake & Wheel and Hale Trailer has helped the trailer dealer diversify. "We are a diverse company developing some niches," Hale says. "Allentown Brake & Wheel brought us some products we didn't have, and we brought them up to speed in the refuse business and in walking floors." □



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