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From the Bottom to the Tap

Traut Wells, Inc., has expanded from its early days of well drilling and pump repair to provide comprehensive water testing and treatment services, positioning the company as a one-stop resource for virtually any water service need.

by Mike Hamberger, National Sales Manager

Summary: Growing a water treatment business involves everything from how you market your company to the types of water quality issues you can effectively address. Here's how one Midwest company built a strong business through private label branding, creative marketing campaigns, and strategic partnerships with key suppliers in the industry.

“We know water from the bottom to the tap.”

More than just a clever marketing slogan, this phrase paints an accurate picture of the all-encompassing services provided by Mark J Traut Wells, Inc., of Waite Park, Minnesota. The company adopted the slogan in the mid-90s after numerous company expansions had led them into virtually every aspect of the water well industry.

In 1959, company founders and twin brothers, Marvin and Melvin Traut, established Traut Wells, Inc., to provide well drilling and pump repair services throughout Minnesota and Wisconsin. At the time, the two brothers had only one employee to help them handle everything from operations and management to sales, drilling, and customer service.

Forty-five years and one name change later, Traut Wells (as they are more commonly known in the industry) now has an established work force of over 50 employees, including many second and third generation family members. Ownership officially changed hands in 1982 when Marvin's son, Mark Traut, and Mark's cousin, David Traut, took over the company reins. Under this new ownership, Traut Wells has continued its expansion efforts and traveled down a path of exceptional growth.



Traut Wells opened its doors in 1959 primarily as a well drilling company and has since expanded into water treatment sales and service.

“Our main line of business today is still in well drilling,” says Mark Traut, current owner and president of Traut Wells. “But we do other types of drilling, too. Anyone who wants a hole in the ground, we’ll drill it for them,” he jokes.

The company’s well drilling services range from small residential wells for new home construction to large diameter wells for municipal water supplies. Other drilling specialties include environmental drilling, recovery services and mineral exploration. The company’s services extend far beyond drilling, however, getting into areas such as water testing and treatment, lawn irrigation and water dispensing equipment.

The Early Days

Being located in central Minnesota where average January high temperatures hover around 21 degrees, winter weather leaves well drillers with little to do but wait for the spring thaw. To overcome this seasonal downturn in business, Traut Wells formed a water treatment division in the mid-1970s. “It was a natural progression to our well drilling business and a great complement to the services we already provided,” Traut says. “With this division, we are now able to treat the water that we supply to our customers, all the way to its point of use.”

Adding a state-certified water testing laboratory in 1985 rounded out Traut Wells’ capabilities in the water treatment arena. “We needed to test the water to treat it, so it just made sense to bring this service in-house,” Traut recalls. “With this lab, we are able to test for a wide range of water impurities, from common groundwater elements such as hardness, iron and pH, to more serious water contaminants like coliform bacteria, nitrates and lead.”



A well drilling rig owned by Traut.

Evolution of the Company

Over the years, water treatment has turned into a major profit center for Traut Wells. This is largely due to the efforts of Traut’s Water Treatment Sales Manager, Jim Gruenke, who joined the company in late 1996. His goal from the beginning was to build the somewhat-stagnant water treatment side of Traut’s business. “Our water treatment sales were in kind of a lull around the time I came on board,” Gruenke says. “It just wasn’t a business focus until they had someone dedicated to the effort.”

In addition to the hard work he has put forth to generate awareness of the company’s water treatment capabilities and build the Traut Wells brand in the marketplace, Gruenke credits much of the company’s success in this area to the strategic partnerships formed early on with key suppliers.

“Here in central Minnesota, much of our groundwater has a high iron content,” Gruenke says. “By forming partnerships with suppliers that could effectively treat this problem, we essentially ensured our success in this segment of the industry.”

Part of the marketing strategy employed by Traut Wells involves the private-label branding of the water softener systems installed at customer sites. Gruenke explains, “We have established a relationship with Water Right, a water softener manufacturer in Wisconsin who uses a unique zeolite media designed specifically for high iron conditions. Though the Traut

Wells name appears on the softener head, customers are supplied with manufacturer information upon installation of the unit. The private labeling is simply a way to further market our services.”

Traut’s staff has participated in the manufacturers’ technical training seminars, enabling them to provide qualified, local maintenance and troubleshooting services if the need arises.

Equipment Applications

Traut Wells’ overall customer base ranges across the board from residential and small commercial to industrial and municipal; however, the company’s water treatment services are provided primarily to private homeowners. “We get a real mix of customers as far as water quality goes,” Gruenke says. “In some cases, we’re just dealing with a little bit of hardness in the water. But some of the groundwater we tap into is a real mess – that’s where the right water conditioning equipment is crucial.”

Testing performed recently for a new residential construction customer revealed a typical hardness of about 15-16 grains accompanied by a high iron content of 8 ppm, tannic acids, a trace of iron-related bacteria and sulfur-type odors. Though this residence had a generic water softener installed as part of a standard plumbing package with their home, the system only served to remove the hardness from the water. Traut Wells successfully filtered this problem water by utilizing a two-tiered approach. By installing Traut’s self-chlorinating water conditioner as the first filtration unit, technicians were able to effectively remove the iron, sulfur and calcium from the water. A tannin-removing resin was then installed in the generic water softener to give the water a final polish.

“The generic softener was just not capable of removing the iron, especially in those quantities,” Gruenke explains. “The media used in our water conditioners is a zeolite crystal with a high affinity for iron. Another key feature is the electrolysis process in the valve of these units that converts a small amount of sodium chloride to free chlorine for use in chlorine regeneration, which keeps the media bed sanitized. Keeping the bed clean is imperative for effective iron removal.”

Traut also recently introduced a new Clack valve that offers electronic cycle sequencing controls to effectively deal with high iron situations. Though this particular piece of equipment is not designed specifically for high iron, Traut technicians have learned to adjust the settings and tweak the bed to get effective numbers in iron removal. This equipment features sophisticated user settings that allow technicians to adjust the cycle sequence of regeneration with positions such as an extra backwash, split backwash, extra rinse, or split brining. Length of each position can also be adjusted to control the amount of water used.

Untapped Markets

In addition to their residential roots, Traut also tapped into the agricultural market in 2001 based on a study done by a group of experts in the dairy industry. The study found that



Traut Wells private labels their water treatment equipment as a way to effectively increase brand awareness.

making drinking water more palatable for dairy cattle could significantly impact the farmer's profit margins.

Research consistently showed that higher water consumption by cattle led to significantly higher milk production. Thus, if the farmer could get their herd to drink more water, overall business revenues could be increased through improved milk production. Removing elements like manganese, sulfur and iron resulted in increased water consumption by the herd.

"We started off with baby steps in this new market," Gruenke recalls. "Our strategy was to partner with veterinarians and dairy nutritionists in the area to diagnose and recommend water treatment equipment for the farmers. Our equipment could effectively remove unwanted minerals from the water, but, of course, we could not guarantee how the cows would react to the filtering."

With 22 installations completed over the last 2 ½ years, Traut now has statistics showing return on investment in as little as four months as a result of the increased milk production.



Left to right: Jim Gruenke, Water Treatment Sales Manager; Mark Traut, Owner/President; and Skip Lock, Service Manager.

"This segment of the business has worked well for us because of our geographic location," Gruenke says. "Stearns County, Minnesota and its surrounding areas has a very strong history in the dairy industry and, lucky for us, word travels fast."

Aside from minerals such as iron and manganese commonly found on these farms, Gruenke has also occasionally found bacterial issues, typically iron- or sulfate-related. By having equipment capable of removing these bacterial contaminants, Traut also played a role in improving the overall herd health.

In these applications, the first thing typically done is to disinfect the well with a pellet drop chlorinator. Technicians could then use the

well as contact time for the chlorine, either killing the bacteria or, at the very least, providing an aggressive oxidant. Once the manganese and iron is oxidized, it can be successfully filtered out of the water. Filtering is done most effectively through Traut's backwashing filters, using greensand and anthracite medias.

The water conditioners used in these settings are typically commercial-grade, twin tank units to accommodate 24-hour service. "We just couldn't tell the cows when they could and couldn't drink the water," Gruenke jokes. Traut Wells equipment allows service personnel to program flow rates for peak times, like immediately after milking, when the cows are typically most thirsty. Using the twin tanks allows more volume without taking up a lot of space.

Growing the Business

In addition to the typical prospecting activities and scheduled sales calls to bring in new customers, Traut Wells launched their "Water Days" publicity campaign in the summer of 1998 as a way to generate awareness of the water treatment division. "Water Days is essentially an open house to the public," Gruenke explains. "For this event, we invite customers to come in and get their water tested for free. We advertise the event on the radio and offer food, beverages and prizes to participants." Sales reps from Traut's supplier companies are on hand at the event to answer customer questions on a wide range of water treatment issues. "We've found that it's a

great promotional tool for our water treatment division,” Gruenke says. “It has certainly boosted our name recognition in the marketplace.”

Conclusion

Traut’s revenues from water treatment equipment sales have increased by over 540% in the seven years since Gruenke joined the company. This total includes sales of Traut’s private-labeled water softeners, backwashing filters, RO units and pressure tanks. “Of course, we wouldn’t have achieved this increase in sales volume without the quality equipment and service to back it up,” Gruenke says. “When considering your partners in the industry, factor in every aspect of their business. It’s not enough to have a great product. The availability of comprehensive training, professional sales literature, and manufacturer support have all helped Traut Wells achieve a high level of success in the water treatment industry.”