

A BUSINESS IS CREATED

The idea to create Nor-Mon Distributing was formed in January 1981 when five customers and friends of Norman Chusid met with him to suggest that he start a wholesale appliance parts distribution company. These five all knew Chusid from his previous employment as a purchasing supervisor, sales manager, and eventually assistant general manager at a similar business.

Frankly, Chusid wasn't really interested in such an endeavor. After spending 10 years in the appliance parts industry, he had left it only three months earlier to work with his father at Ankeny Hardware, the Chusid family owned hardware store in Portland, Oregon. In addition, the local and national economy was in a severe economic slump which Chusid believed would not be a favorable time to start a new business.

Wanting to be polite, Chusid explained to his friends that while starting such a business wasn't high on his list, he'd be happy to consider the possibility if factories contacted him expressing interest in supporting the idea. Chusid believed that no factory would actually be interested in upsetting the other similar companies in Portland they already supplied.

Within a few weeks, Morris Weisburg of Horton Valve (a company that made water valves for washing machines, dishwashers, and refrigerators) contacted Chusid expressing his support for a new appliance parts distributor being formed in Portland. Weisburg knew Chusid when Chusid was a purchasing supervisor for the W.L. May Co.

At the same time, Joslin and Bryant Company, a Portland area electrical supplies wholesaler had gone out of business. The liquidator for their inventory contacted Chusid about seeing if there were items he would be interested in possibly purchasing. When Chusid visited the liquidators warehouse, he found large quantities of appliance cords, dryer venting, and other appliance oriented products. Chusid struck an agreement with the liquidator and purchased at a substantial discount all the available items relating to major appliance installation.

During the next month, Chusid sold the entire lot of merchandise he had obtained and also checked with those who purchased his goods if there would be any interest in being a customer for a new Portland area appliance parts distributor. Most customers said the same thing..."contact me after you're established and we'll see".

By now, 15 different manufacturers had contacted Chusid expressing support for a new parts distributorship to be created. Chusid contacted the initial five business friends who had broached the idea three months earlier and advised them that he would be moving forward with starting a new appliance parts distributorship.

IT'S MOVING FORWARD , NOW HOW IS IT GOING TO BE FINANCED?

The important issue now looming was funding for the proposed business. Chusid met with Terry Swanson, the manager of the 26th and E. Burnside branch of First Interstate Bank. Swanson knew Chusid's father, Monte, as he did Ankeny Hardware's commercial banking there. Arrangements were made for a \$95,000 bank loan to finance the initial inventory necessary for the business to open.

Two days later, Chusid was to meet with Swanson to sign the loan papers. While in Swanson's office, Chusid had a change of heart regarding the loan. Other than when he and his wife had purchased their home three years earlier, Chusid had never borrowed money for anything. While he knew that the business would be successful, having a \$95,000 loan albatross around his neck seemed like a burden Chusid didn't want to bare. He left without signing the loan papers.

Chusid and his father talked that evening and came up with an alternative idea. Each put in \$2,000, jokingly calling it "Reno gambling money". Chusid would continue to work half time at Ankeny Hardware for monthly wages of \$500. For three years, Chusid would not take any wages out of the new company, instead plowing all the profits into new inventory. At the end of the three years, both Chusid and his father would evaluate the situation...if the business could support paying a wage it would be kept running, if not, it would close.

Both Chusid's also realized that they were starting a business in the middle of a severe local and national economic recession. Starting a business in good economic times is easy they thought. Successfully starting a business in tough times would mean that the new business should be able to survive anything difficult the future may hold.

HOW ABOUT A BUSINESS NAME?

In May, 1981 Chusid and his father, Monte had a lunchtime business meeting to create a name for the new business-to-be. Ideas such as "Appliance Parts Terminal", "Appliance Parts Depot", "Appliance Parts Distributing" were mentioned. Finally Monte came up with an idea. By combining Norman and Monte he came up with "Nor-Mon Distributing".

Later that month, Nor-Mon Distributing, Inc., was officially formed in the offices of attorney Norm Wapnick, a long time family friend. Neither Chusid was aware of all the challenges and conflicts that were to face them in the next month.

11 OF NOR-MON'S 15 NEW SUPPLIERS REFUSE TO SHIP ORDERS

15 manufacturers had agreed to sell Nor-Mon Distributing and initial orders were placed with them in June, 2001. Within a few weeks, early supporter Morris Weisburg of Horton Valve called Chusid with upsetting news. He had been contacted by some of Nor-Mon's competitors and been told Horton Valve would be cut off as a supplier if Horton Valve decided to sell Nor-Mon Distributing. While Weisburg said he knew what was being done was illegal, he instead gave Chusid one piece of advice: "If your competitors are that worried before you even open, you must be on to a good concept. Keep moving forward no matter what happens". 11 of Nor-Mon's 15 suppliers-to-be bowed out before ever shipping Nor-Mon's initial orders. While never knowing for sure, it was assumed these 11 had received similar threats.

A BATTLE PLAN IS DRAWN-UP

Both Chusid's came up with a simple plan. Work to be as successful as possible with the four remaining lines, and realize that balky manufacturers will likely only want to supply Nor-Mon in the future if continuing to refuse to do so hurts their own bottom line.

Nor-Mon Distributing, Inc. opened their doors in a tiny 300 square foot location in June, 1981. Cardboard boxes served as shelving, an old beat-up card table was the shipping and receiving station and a hand-lettered cardboard sign reading "Nor-Mon Distributing, Inc.", was taped to the window. They had four lines to sell: Horton Valve (water valves) Motors and Armatures (refrigeration components), Thermalink-Pacific (stove, dryer, and water heater elements), and Beaver Chemical (detergents).

Six customers agreed to be initial Nor-Mon supporters: Mosee Bros. Appliance, Cecil Goss, OH White Co., and Vanderpool Appliance, all of Portland. Lott's Electric from Heppner, Or. and Noll Appliance of Tillamook, OR. rounded out the group. By late July, five more new customers had joined the fold: Stover, Evey, and Jackson (Corvallis, OR), Coin Meter Co (Portland, OR.), Standard Appliance, (Portland, OR.), Royal Appliance (Portland, OR.), and Hutchin's Appliance (Hillsboro, OR.).

Interestingly enough, after almost 25 years, Nor-Mon still purchases from their four initial suppliers. Of the 11 original customers, four have retired, closed their businesses, or passed away. The remaining seven or their successors still purchase their appliance parts and accessories from Nor-Mon.

NOR-MON STARTS TO GROW

Nor-Mon survived year one and moved on to 20 years of unbelievable growth. Manufacturers who wanted nothing to do with Nor-Mon in the early years suddenly started requesting Nor-Mon carry their products. Customers who had doubts about buying from Nor-Mon in the beginning realized that Nor-Mon's aggressive pricing and wide assortment of products were a benefit worth taking advantage of.

Nor-Mon's growth in the 1980's and 90's was fueled by monthly and quarterly flyers, some as large as 90 pages, that offered as many as 1,500 fast-moving products at deep discounts. While Nor-Mon offered OEM appliance parts, it's strongest market penetration was supplying quality generic appliance parts, many of which were manufactured by the same companies supplying the actual appliance manufacturers. By bypassing the OEM's and purchasing in large quantities direct from the actual manufacturer, Nor-Mon cut-out the added expense of the middleman and passed the savings of up to 60% directly on to the appliance repair industry.

In the mid 1980's, numerous Oregon and Washington distributors of hardware, electrical, and plumbing products closed their doors or greatly reduced their size due to the nationwide economic recession. Many of the remaining ones ceased stocking a wide selection of products by quality manufacturers, instead choosing to "cherry-pick" and sell only the most popular, fastest moving items. Combating that trend, Nor-Mon decided to expand by adding wholesale hardware, tools, electrical, plumbing, lawn and garden implements, contractor supplies and seasonal goods to their inventory mix.

NOR-MON CO-FOUNDER PASSES AWAY

Nor-Mon co-founder, Monte Chusid was diagnosed with pancreatic cancer October 16, 1995. Monte never knew that his doctors only gave him about 90 days to survive. As he often said, "If I know when the doctors say I'm going to die, I'll just mark that date on the calendar and figure the next day, I'm dead!" Deciding against chemotherapy, Monte instead chose a more holistic approach to dealing with his cancer by exercising daily, spending large amounts of time with those he loved, taking herbal medicines, continuing to work a few hours four days per week, and practicing positive thinking and prayer.

Monte lived for the 90 days his doctors originally had said...plus six years more! He passed away just a few days short of his 77th birthday on January 6, 2002 and his loss is felt to this day. As Nor-Mon co-founder Norman Chusid said during his father's eulogy, "I worked with my dad for 40 years. I've now lost my business partner, my mentor, my father, and most of all, my best friend".

NOR-MON DISTRIBUTING, INC., TODAY

Like most American businesses, Nor-Mon's sales and profits slumped during the post 9-11 catastrophe. Through those difficult economic times, Nor-Mon continued to move forward, refusing to lay off any employees, adding new lines and increasing its inventory, always believing better times were ahead.

In January, 2002, Nor-Mon accepted an invitation to become a member of the WD Armstrong national catalog organization and represents WD Armstrong in Oregon, Washington, and Idaho.

In January, 2004 Nor-Mon purchased the Monarch Appliance Company's national parts distribution division located in Algoma, WI., and relocated it to Portland, OR. Nor-Mon is now the

national Monarch genuine parts distributor for Monarch kitchen appliances and whole-house heating systems and stocks OEM parts up to 100 year's old.

Today, Nor-Mon Distributing, Inc., represents over 150 lines of major appliance parts, HVAC-R supplies, hardware, tools, fasteners, electrical, plumbing, garden tools and accessories, contractor, and industrial supplies. Serving more than 800 customers, Nor-Mon stocks over 35,000 different items spread over 1.3 miles of shelving in a pleasantly compact warehouse located in Portland's Central Eastside industrial business district.

A FINAL PERSONAL NOTE...

The success Nor-Mon has achieved since 1981 is directly related to my co-workers and management team at Nor-Mon and the wonderful group of customers and friends who continue to support us to this day. I always realize however, that none of this would be possible if it wasn't for those four original suppliers (Horton Valve, Motors & Armatures, Thermalinnk-Pacific, and Beaver Chemical) who stood beside Nor-Mon at the beginning when no one else would. A very special "thanks" is also due to those initial six customers and the five who followed a month later. Simply put, without them, Nor-Mon wouldn't be here to serve you today.

Most importantly, a special "thank you" to my late father and business partner, Monte Chusid. From Nor-Mon's start in June, 1981, Dad always told me, "This is your business to run, because you're going to be around many years longer than me. Mistakes are your best teacher...learn from them".

Dad's most significant lesson to me was that instead of teaching me to not occasionally fall down, he showed me how to pick myself up whenever I did.

*Norman Chusid
President
Nor-Mon Distributing, Inc.*

July 25, 2005