

CELEBRATING 75 YEARS OF CUSTOMER SERVICE

Road Machinery & Supplies Co. recalls proud past while looking to bright future

Some of you may remember — although most of us have to imagine — what life was like in 1926. It was three years before the stock market crash that preceded the Great Depression. It was 15 years before the U.S. entered World War II. It was also the year Road Machinery & Supplies Co. was founded by Michael M. Sill in Duluth.

Of course, many things have changed in the past 75 years. The stock market has soared to record levels and the U.S. economy is the envy of the rest of the world. We endured not only World War II, but also Korea and Vietnam. And RMS has grown from a small single rented office in Duluth into a multi-state heavy equipment distributorship representing many of the finest equipment manufacturers in the industry.

“We’re very proud of our history and the fact that we’ve been in business 75 years,” said Mike Sill II, President and CEO of RMS and grandson of the company founder. “I think it illustrates our ability to change with the times in order to meet the needs of our customers.”

The early years

RMS today is a far different company than the one Michael M. Sill started in 1926. The original product line featured Stockland motor graders, along with tractors, fire engines, cutting edges and snow fencing. By the late 1940s, Sill decided to concentrate on construction, mining and municipal machines. Still, as late as 1950, RMS employed only about a dozen people and its sales territory was limited to 10 Minnesota counties and three in northern Wisconsin.

In 1955, second-generation twin sons Michael R. Sill and Mitchell J. Sill entered the family business and RMS began an aggressive growth phase.

Michael opened a Minneapolis office and the company also opened a branch in Virginia, Minnesota, to serve the mines in the nearby Mesabi Iron Range. At about the same time, RMS became the statewide distributor for Austin Western motor graders and over the next five years added a number of new lines, including Blaw-Knox and Link-Belt, which it still represents today.

Product line enhanced

When RMS turned 50 in 1976, it had four locations and 130 employees. But the biggest change was still to come. In 1980, the company began representing Komatsu, which today is the world’s second-largest equipment manufacturer.

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The management team at Road Machinery & Supplies Co. includes (from left), Treasurer/CFO Bill Holte; VP MIS Chuck Petter; President and CEO Mike Sill II; Vice President, Northern Operations John Ruud; and Vice President, Sales Dave Johnson.

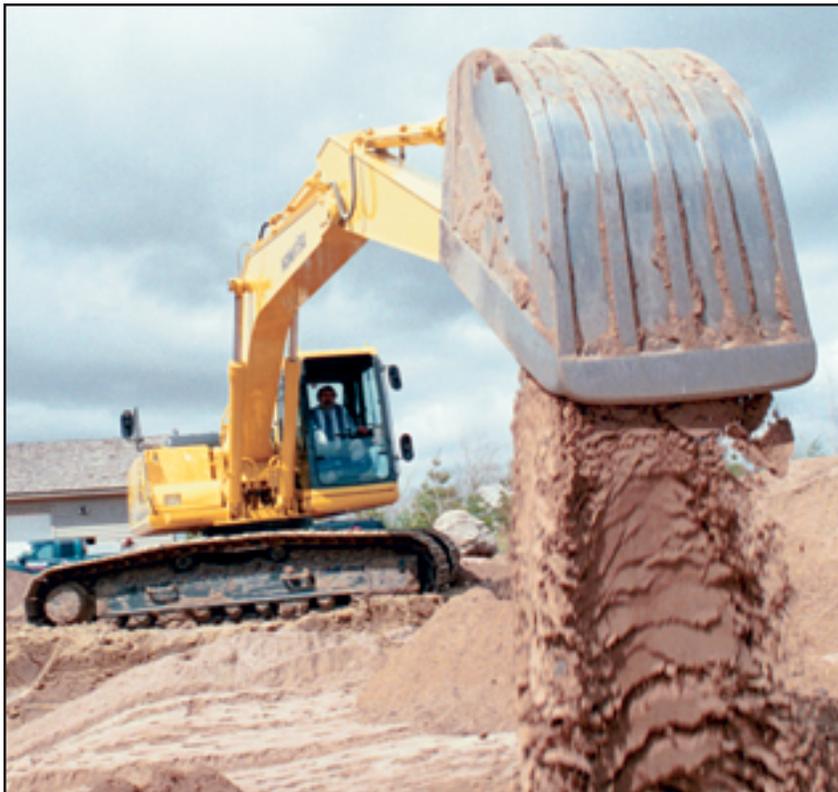
Quality products and people make RMS

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"The decision to take on Komatsu was an easy one," said Michael R. Sill, who was RMS' second-generation president at the time. Today he serves as company chairman. "Initially, some people bought because of price, but they soon discovered Komatsu built truly superior-quality machines."

Komatsu gave RMS a complete product line of excavators, dozers, wheel loaders, graders and trucks. In addition to Komatsu, the RMS line includes some of the most recognized names in the industry — Ingersoll-Rand, Blaw-Knox, Link Belt, Grove, Gradall, Svedala, Gomaco, Bucyrus, Elgin, Load King, Blount, LaBounty, Vactor, Lull and more.

"We feel like we can offer customers a full and complete line of quality products no matter what type of work they are involved in," said Mike Sill II. "From construction, mining and forestry to scrap recycling and the governmental market, we serve a variety of equipment users. Our goal is to provide those users with the machines they need to do their jobs in the most efficient and profitable manner."



RMS offers a complete line of superior construction equipment designed for virtually every application. Pictured clockwise from top left: An operator with Ingram Excavating, Inc. cuts a trench with a Komatsu PC200LC-6 excavator on an underground utility project; Midwest Asphalt paving crews utilize a Blaw-Knox PF5510 paver; a Don Zappa & Son, Inc. operator gets a full blade with a Komatsu D65PX-12 dozer on an earthmoving project; Norris Asphalt uses a Komatsu WA500-3 wheel loader to stockpile aggregate.



RMS has proudly served the mining, forestry, scrap recycling and material-handling industries for many years.

Pictured clockwise from top left: Determann Industries, Inc. worked with RMS and its manufacturers to customize a Komatsu PC1100 material handler, equipping the machine with a variety of specialized attachments; a Nistler Construction & Logging operator utilizes a Komatsu PC200LC-6 excavator equipped with a delimitter; and a Komatsu HD465 off-highway truck rumbles along a haul road.

In addition to offering customers a wide variety of machines for purchase, RMS has forged into the rental market with RMS Rentals. Founded in 1998, RMS Rentals was established to meet the short-term general and light equipment needs of existing customers, as well as reach out to new customers.

“RMS customers have traditionally relied on our company for heavy construction equipment,” said Mike Sill II. “With RMS Rentals, we hope to fill those same needs in the general and light equipment field.”

RMS Rentals, based in a separate facility at RMS’ Savage (Minnesota) headquarters, rents and sells forklifts, manlifts, concrete trowels and mixers, Komatsu tractor loader-backhoes and mini-excavators. RMS Rentals customers are primarily contractors and subcontractors to the building industry.



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Longtime employees key to success

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People are key to success

No company can survive even five years, let alone 75, without topnotch employees. That's been one of the strengths of RMS throughout its history. In fact, having quality people is every bit as important as having quality products, according to Mike Sill II.

"This business is all about taking care of your customers and our employees have done that very well, from 1926 right up through today," he said. "We have 225 employees and they essentially are RMS. Our philosophy is to hire the best people, then let them do their jobs."

It's a philosophy that's worked well for RMS in attracting and retaining top people. Chief Financial Officer Bill Holte; Vice President of Northern Operations John Ruud; Vice President of Sales Dave Johnson; Ray Warmka, General Manager Polar Parts; and Rich Cooper, Director of Training and Technical Support, all have more than 20 years of service with the company. Chuck Petter, Vice President, MIS, has been with RMS for more than 35 years.

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The sales management team at RMS includes (from left), Sales Manager, Southern Operations Larry Smith; Branch Manager, Iron Mountain, Ray Famiani; Used Equipment Manager Brain Durfee; and Sales Manager Tom Ernst.



Carson Erickson,
General Manager
of RMS Rentals.



Territory managers representing RMS product lines in Minnesota, Iowa, Michigan and western Illinois.

Customer-first philosophy

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RMS Rentals General Manager Carson Erickson, Sales Managers Tom Ernst and Larry Smith, General Parts and Service Manager Mike Mencil and Southern Operations Product Support Manager Craig Alcott round out the RMS management team.

"In addition to senior management, most of our people on the front lines — the sales representatives, service technicians and parts guys have also been with us for many years," said Mike Sill II. "We are a company that values customer relationships. Our employee longevity helps us sustain a strong repoire with customers."

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Rick Zweber, Rental Manager for Road Machinery & Supplies Co.



Ray Warmka is Manager of Polar Parts, a division of RMS.



Mike Mencil, General Parts and Service Manager of RMS.



Longtime receptionist Diane Kidder serves as the "voice" of RMS headquarters in Savage, Minnesota.

Strong product support commitment

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Product support emphasis

Although there have been many changes in the business over the years, one philosophy has remained constant over the years at RMS. That philosophy is based on providing customers with the best possible product support through responsive parts and service operations.

"Parts and service is a rapidly growing portion of our business," said Sill. "Machines don't last forever. We try to offer a broad range of services designed to keep RMS customers up and running. It's why we

started our Polar Parts division, which supplies used parts to customers who want a less costly alternative to new parts. We've also added personnel and we've invested heavily in training and in field service trucks to allow us to meet the product support needs of our customers."

Based on the same property as RMS Savage headquarters, Polar Parts inventories thousands of used parts for all types of construction, forestry and mining equipment, giving customers a cost-effective repair option.

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Strong customer service has been the focus of business at RMS from the beginning. This includes providing customers with, clockwise from the top: a large fleet of fully equipped modern field service trucks that allows field service technicians to make time- and money-saving repairs at customers' jobsites; a large inventory of parts that total over \$7 million; full-service facilities with large shops where skilled and well-tooled service technicians can handle everything from minor repairs to major rebuilds and overhauls.



Growing to meet customers' needs

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In addition, RMS inventories over \$7 million of new and remanufactured replacement parts, including 50,000 line items. In 1997, RMS was recognized for its excellence in inventory control when it was appointed a "Premier Partner" by Komatsu. RMS was the fourth dealer in the United States to have met the national standards established by Komatsu for the program.

The company's strong product support philosophy extends to its service departments at its full-service Minnesota (Savage, Virginia, Duluth, Grand Rapids), Iowa (Des Moines, Sioux City, Fort Dodge, Cedar Rapids), Michigan (Iron Mountain) and Illinois (Milan) branches. Factory-trained service technicians at these shop facilities have the skills and tooling to handle everything from minor preventive maintenance to major overhauls and component rebuilds. Plus, RMS has a combined fleet of 47 field service trucks, which can help field service technicians make time- and money-saving repairs at customers' jobsites.

Expanding territory

While the 1950s were a rapid growth period for RMS, the 1990s were equally eventful.

In 1994, largely for estate-planning purposes RMS' owners separated. Mitchell Sill's family took over the Reach Equipment Division and Aspen Equipment Company, which had been a rental division of RMS. Michael R. Sill's family retained RMS and that was the year Mike Sill II became company president.

In 1996, RMS acquired the Bucyrus International line of mining shovels and drills, giving RMS the broadest product offering to the taconite mining industry.

A year later, RMS significantly expanded its Komatsu territory through acquisition of the Herman M. Brown Company, which was one of Iowa's oldest and largest equipment dealers. Today Road Machinery & Supplies is one of the largest Komatsu distributors in the nation. It has 10 offices in four states with four in Minnesota, four in Iowa, one in Michigan and one in Illinois. The company also serves parts of North and South Dakota, as well as Nebraska.

"Our expansion has allowed us to improve inventory management," said Mike Sill II. "We're also better able to supply and service those contractors who work in neighboring states. The new branches, combined with our RMS Rentals subsidiary, allow us to meet the short- and long-term equipment and support needs of our customers better than we've ever been able to do."

Legacy lives on

While no one can tell what the next 75 years will bring, Road Machinery & Supplies is well-positioned to continue the legacy of its founder.

"I imagine my grandfather would be amazed at where we are today," said Mike Sill II. "While the company is different in many ways from the one he founded, our guiding principle remains the same; 'Take care of the customer, whatever it takes.' That may mean providing him with a particular product or service, or perhaps expert technical information. As long as we continue to do that, I think the future for RMS will be bright as we head toward our next milestone anniversary, a century in business."

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Polar Parts, RMS' salvage division, dismantles equipment and offers customers used parts from these machines, providing a cost-effective alternative to buying new.



RMS Rentals was founded in 1998 to meet the light and general equipment needs of customers.