

**The Living Well Company:
Winning the Country Over One
Small Town at a Time**

By Amy Lake
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**Center for Rural
Entrepreneurship**
energizing entrepreneurial communities

The Living Well Company, based in rural, Brookfield, Missouri, is the sole North American distributor for Comfort Furnace and Heat-A-Lot infrared portable furnaces, designed to heat large residential spaces (800 to 1,000 square feet). The furnaces are capable of reducing a family's heating bills dramatically when used systematically for "zone heating" or warming one part of the house with the portable furnace and turning the thermostat low for rest of the home.

Ron Bunse and Michael Munsterman are the owners of The Living Well Company along with their wives, Carmen Bunse and Joy Munsterman. The Buneses and Munstermans show an extraordinary commitment to their rural customers. When asked why, Ron answers, "Rural people know what heat costs. They know what they are spending on heating bills."

Michael adds that their marketing and sales strategy is particularly well suited to small and rural towns. For example, the Living Well Company sold about 250 portable furnaces in Unionville, Missouri, a small rural town of 1,821. "One in ten people in Unionville own our heaters. In a big urban market, we might get one in 5,000." Michael continues, "Its better value for our advertising dollars. We want to win the country over one small town at a time."

The Living Well Company appears to be doing just that with a sales model that is deceptively simple on first glance. "Our sales teams load up their trucks and trailers with product on Monday, and on Tuesday they travel to their first sale of the week. They usually do four sales each week." says Ron. It sounds like an old-fashioned approach, reminiscent of the early 20th century traveling salesman.

Then Ron says casually, "This month we are planning 360 [one-day sales] events. Our teams go as far as Washington and Maine." That's when you realize that there is nothing out-of-date or simple about this business or these business owners.

The Living Well Company has 25 in-house employees and 40 travelling sales people. The marketing department coordinates the one-day factory outlet sales for the sales teams. The sales events are held at feed, farm, and hardware stores in small rural, towns. Before a sales event, the Living Well Company's marketing team saturates the local papers and circulars with flyers about the one-day furnace sale. Holding the sales at local, trusted stores lends credibility to the product and attracts the rural population that is Living Well's target customer.

Part of the reason that Ron and Michael understand their rural market so well is that they themselves value rural America and are committed to keeping their business in a small town, Brookfield, Missouri. Brookfield is located in north central Missouri and has a population of 4,800 people.

As Ron puts it, you've got to take advantage of the "power of leverage" when you go into business in a small town. "If you depend only on the small town for your whole market, you've got a tough road. But, if you establish roots in a small town, support workers, and use the support of the community, you can go far. We are not in an age where people buy from the Main Street any more. They buy online. So, we get into this mindset that you have to leave the Midwest, leave small towns to make a living. That's not true. But, you do need the right business model."

"If you establish roots in a small town, support workers, and use the support of the community, you can go far." – Ron Bunse, Co-Owner of the Living Well Company

The Living Well Company seems to have found that model, but they did not start out on a large scale. In 2002, Ron Bunse started the business with his wife, Carmen. Together, they would load a trailer with heaters and do four one-day sales each week. At that time, they bought the Taiwanese manufactured heaters that they sold through a third party in another state.

By 2006, the Bunes had expanded substantially, and they were looking for a partner. Not just any partner though. Ron knew he wanted Michael. The two men had been friends for many years, and Ron, 28 years older than Michael, had been mentoring Michael in business since the younger man was in high school. As they tell the story, Ron invited Michael to breakfast one day. Ron told Michael, "You are not the kind of guy to work for another man." So, Michael, who knew the truth when he heard it, became a partner in The Living Well Company. And, the company continued to expand.

It is rare to see the kind of friendship and devotion that is obvious between Ron and Michael. "Our partnership, it's like a great marriage," says Michael. "Ron brings things to the table that I wouldn't even have thought of. Our talents complement each other. I wouldn't be here if it wasn't for Ron. I owe my entrepreneurial spirit to him."

And, Ron about Michael, "He's a quick study. He's the best natural salesperson I ever met."

In 2008, The Living Well Company purchased a large industrial space in Brookfield. It was the former location of a factory that had closed suddenly a few years earlier, leaving hundreds of local people jobless. The 63,000 square foot space was more than ten times larger than their original facility, and the community around them wondered what they had in mind.

Becky Cleveland, the Executive Director of the Brookfield Area Growth Partnership and the Director of the Industrial Development Authority, says, "Having that empty factory there was a constant reminder of the hurt our community felt when [the factory] closed in 2004. We lost 250 employees when they closed, and they paid well. There were lifetime husband and wife teams employed at the factory that lost both jobs. We just got a sudden message, 'the factory is closing.' And then it was done."

Becky continues, “When Ron and Michael bought the building, the community was doubtful at first. They were saying things like, ‘what are they going to do with that building?’ and ‘we need another manufacturer there, another factory.’ ”

At that same time, Well Manufacturing, the Taiwanese manufacturers of the portable heaters that the Living Well Company sells approached Ron and Michael with the idea of making the Living Well Company their sole North American distributor. Their previous US distributor had defaulted on a loan, and Living Well had been their largest customer. Ron and Michael began negotiations. When they decided to bring Well Manufacturing to Brookfield for a site visit, they went to the Brookfield Area Growth Partnership.

“It is great to have people like Becky [Cleveland] and Marcia [Cunningham] to promote and grow the company.” (Marcia Cunningham works with Becky at the Brookfield Area Growth Partnership.) “We went and asked them for help showcasing the community. Becky got a specially catered dinner for us. She invited the mayor, school, bankers and other leaders. They made a super banquet and received our partners like honored guests. It was elegant and well-orchestrated. We got the opportunity to really open up to the community and share what we were doing. And, all different people told the Well Manufacturing representatives that they supported our business and ‘we’ll support you if you invest in this company.’ We think it made a difference to them to see the level of community support we had.”

The Living Well Company got the contract to become the sole distributor for the portable heaters shortly after the visit and has expanded by 50 percent each year since then. Joy Munsterman, Michael’s wife, came to work for the company during this expansion phase, after a successful 13 year teaching career. She and Carmen run the accounting side of the business together.

“Living Well’s success has meant a lot to this community,” says Becky Cleveland. “They employ a lot of local people, both full-time and on commission. They buy as much of their supplies as they can locally. And,” she adds, “They were nominated as the Entrepreneur of the Year in 2009.”

What is the next step for Ron and Michael after earning this kind of success and recognition with The Living Well Company?

“We just opened another business a few months ago,” Ron says. “A sign shop.” There is a pause. How exactly is a sign shop related to a portable furnace business with the highly innovative marketing and sales strategy?

“We needed another sign shop here,” says Ron in his matter-of-fact manner.

“We need a lot of signs for the Living Well Company—the way we do sales,” says Michael, who happened to own a commercial building on the north edge of Brookfield and who had tried his hand as a sign shop owner previously. “I told Ron, we can save money making our own signs, and we can make more by selling them to other businesses.” As Ron sees it, this goes back to knowing your community and the local business environment. “You can leverage time, talents and money if you know your own

strengths and the strengths of the people around you. And, you can fill in the voids. There was a need for signs and we are filling it.”

Becky Cleveland is not surprised to see Ron and Michael expand to another business. “They are serial entrepreneurs.” That is, entrepreneurs who start more than one new business over a lifetime, spurred by early success, early failure, or the simple desire and knowledge of starting new ventures.

As the local economic development professional, Becky Cleveland is grateful for this level of energy and commitment from local entrepreneurs like Ron and Michael. “Conventional [business] recruitment is so difficult in a rural community. We try to recruit outside businesses to move into the area, but we are not always successful. That’s why having and supporting our local entrepreneurs is so important.”

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