



## **Written by Nate Hendley**

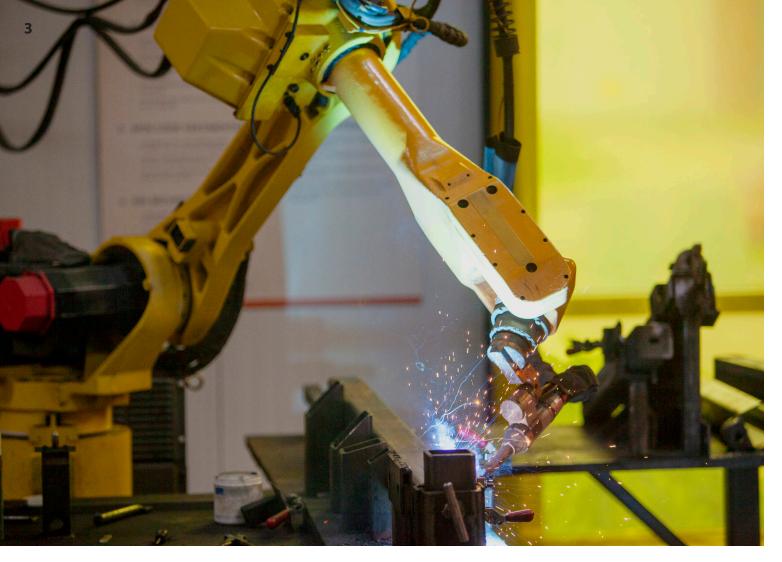
are house pallet racking systems used for product storage are sometimes seen as an afterthought. Once in place, they are expected to serve their purpose without much care, as storage locations for a company's inventory. Unfortunately, the reality is much different, says Eric Naaman, president of Damotech, North America's largest rack safety solutions specialty firm.

"Racking systems carry huge loads. This is often ignored or taken lightly. But when a rack collapse or damage occurs, it is highly, highly disruptive, not to mention dangerous," states Naaman, whose company is based in Boisbriand, Quebec.

Steel racks are "designed to hold vertical load," but "are not designed for horizontal impact," something that happens fairly frequently in warehouses that use forklifts and other vehicles, he says. A rack collapse can cause injuries, destroy goods and result in huge delays and expense. It can also subject the company to liability claims that sometimes take years to resolve at great cost. >>



**DAMOTECH** 







Damotech, which celebrates its thirtieth anniversary this year, does not manufacture racks but offers a wide range of products and services based around racking system safety. "We provide engineering services. We provide repair services. We provide protection services, and ultimately, we provide a platform for our customers to be able to follow what's happening in their warehouses," says Naaman. The latter is a reference to the Damotech Platform, a cloud-based software program that enables clients to view data, images, and reports about their warehouse racks.

What the company really offers, however, is peace of mind for clients that store any of their products in warehouses, he adds. These clients can be found in the automotive, food and beverage, cold storage, big-box retail, e-commerce, distribution and pharmaceutical sectors and include such high-profile clients as General Motors, Amazon, Bridgestone, FedEx, Coca Cola, Procter and Gamble, and Target.

"Typically, we provide the repair kit and the service for installation, because you have to be certified to install our product," explains Naaman. "Every order is custom made. Our strength as a company is to produce custom products on a production line," he says.

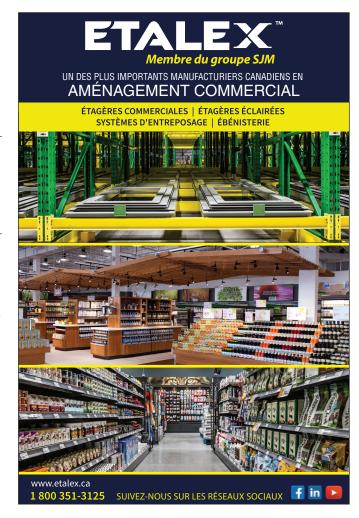
He cites several ways in which Damotech differentiates itself from other rack-related companies. "For one, we really stand behind the product. Our PRO line of rack repair kits, for instance, comes with a lifetime warranty against impact. All our products are highly engineered. We're the only rack repair company that has engineers on staff, and we emulate the original configuration of the racking, and we do it as a one-stop-shop. The engineering part is done by us. The repair is done by us. The installation is done by our certified installers, and we're able to validate that everything was done properly, post-installation."

Damotech's engineers can conduct conformity inspections, calculate rack load capacity, and train employees in rack-safety issues at client worksites, upon request. Training sessions underline the often-ignored fact that proper rack repair and rack protection kits not only ensure safety, but they can also lower customer costs. Companies that use Damotech services and products do not have to order as many replacement racks for their warehouses.

In addition to the head office and factory operations, the company uses a "very large distribution network," and sales team that can reach customers across Canada, the United States, and Puerto Rico. Within this region, it can send experts to set up rack protection systems or rack repair kits just about anywhere.

"The customer can basically make one phone call, and because of our spread and our size, we're able to service the customer the same way whether he's in Florida or California or anywhere in the middle... We've even gone to diamond mines in the Yukon where the temperature is like fifty below. We've never met a rack we didn't like," jokes Naaman.

"We're pushing a lot of initiatives and growing every year, so we're making moves to position ourselves for the future. Hiring has been brisk, and we're constantly looking for more players that we can add to the team," he states. Damotech has roughly seventy employees at present, up from fifty at this time last year.



Founded in 1989, Damotech was initially focused primarily on rack repairs. Over the past decade or so, it began emphasizing rack safety and adding services. Still, rack repair kits and a number of rack protection products make up a healthy slice of company revenues. Rack repair and protection products are predominately orange, which is the company's official corporate colour.

"The Damo Pro was our first rack repair kit, and it's still the topselling unit and the market leader in terms of pure rack repair," says Naaman. This kit is intended for use on uprights or rack



We supply and service all brands of warehouse equipment, racking and shelving. Our CAD department can provide warehouse layouts, Stamped Engineered drawings and all permit requirements for any projects.

- Supply and install Damotech Pallet Rack repair system
- Supply and Install Pallet Rack systems and Shelving systems
- Material Handling equipment, Dock Levelers
- Project Management and Design for warehouses









columns that have been damaged on any type of rack storage system. The original weight-bearing capacity of the pallet rack is maintained, and the Damo Pro offers excellent protection against further impact from errant forklifts.

Asked how Damotech made it to thirty, he says, "It's easy to say, but very hard to do. We have an uncompromising commitment to quality, employees, and culture. By hiring the best possible employees, by having the best possible company culture, by never compromising on quality, we deliver a superior customer experience. With this approach, we've been able to weather tough times and do really well in great times."

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This hard work and focus have paid off. In September 2018, the company was ranked number 378 on Growth 500, a list of Canada's fastest-growing firms published by *Canadian Business* and *Maclean's* magazines. The 2019 list was just released and Damotech made it again for the second year in a row, this time at the 413<sup>th</sup> position.

Last November, Naaman launched an initiative to mark the company's thirtieth anniversary in spectacular style. Employees were asked to write down five lifelong dreams. At Christmas, he announced the company was going to pick thirty of these dreams (at random) and make them come true. Throughout 2019, at special corporate events featuring training and team-building exercises, he has been announcing which dreams are being fulfilled.

"We have one employee who went skydiving with his wife. We have another that raced a Ferrari around the track. We had another that went with his wife to Ireland for two weeks. Our receptionist went to Paris with her mother and her sister for a week. We have one that took his family dog sledding in the north of the province. We've had a variety," says Naaman. "It's been a fantastic adventure and it's great fun."

Damotech is always looking at new products and ways to refine existing products. "We're continuously focused on [building] a better mousetrap. We ask a lot of questions; we're always focused on finding solutions. Every day, we're in different warehouses where customers have different challenges. We only show up in warehouses where generally there are issues. We have so much expertise in-house. We're constantly looking for new and different ways of doing things," he adds.

Naaman cites the Damotech Platform as evidence of this spirit of innovation and continual improvement. The platform allows clients to check in on the status of their warehouses' conformity inspections using a computer, laptop, or smartphone.

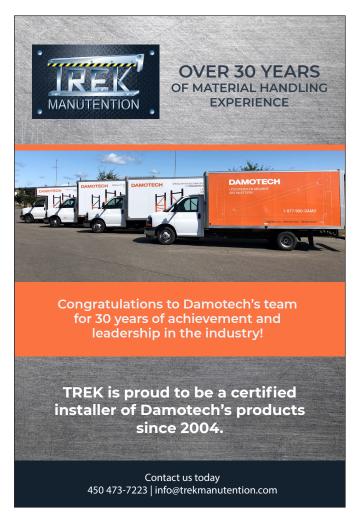
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Using the platform means "a risk manager, real estate manager or operations director can see what's happening at a multitude of warehouses without having to go out and visit in person. We provide graphic visuals on where the damage is and where the problems are in the warehouse. [The client] can see where there are areas of weakness in the design of the racking and how to go about fixing them," explains Naaman.

The platform "was born out of a need for our customers to find out what was happening in their facilities. We would go and do these repairs, and they would have no visibility over what's happening in their warehouses. Now, once we do the repairs, or do an inspection or an evaluation of the racking system, we upload the data onto our platform, and they can follow what's happening," he notes.

The company recently updated its website and regularly attends trade shows and industry events. These include the Partners in Prevention 2019 health and safety conference and trade show, held earlier this year in Toronto.

It is also actively involved in charitable and community initiatives, such as Sun Youth which "provides all kinds of services to families that are in need," he says. Each year, the company donates food for Sun Youth. Then, on the day of the company Christmas party, staff are bussed to a Sun Youth warehouse to sort groceries into holiday hampers for needy families.



"We do community work on the same day we're celebrating our success, our friendships and relationships," says Naaman.

As for the future, there are no plans to move the headquarters out of Boisbriand, although, "We're not closed to having satellite operations. We're always looking at opportunities either through organic growth or acquisitions," he continues. "We always say around here, 'Orange in every warehouse.' That's our colour, so that's our goal."

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## **DAMOTECH**

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