

The Outdoor Room - Manufacturing



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By Lisa Readie Mayer

Dante Cantal launched Twin Eagles grills two years before the recession; today, his company is flying high.

n 2006, *Hearth & Home* first profiled Dante Cantal and his company, Twin Eagles, just as he was trading his behind-the-scenes role as an OEM manufacturer for a new one in the spotlight manufacturing and marketing his own branded line of stainless-steel, commercial-quality grills and appliances.

Cantal was up for the challenge. A native of the Philippines, the gas products engineer already had more than a decade of experience in the highend grill category, first as a co-founder of Lynx Professional Grills, and later as an OEM grill designer and manufacturer for many companies. Together with his wife Fannie, also an engineer, his daughter Karen, and a few trusted colleagues, Cantal set about building a brand that is arguably one of the fastest-growing and most-respected in the high-end gas grill segment.

Named after Cantal's twin children, Twin Eagles grills have realized annual double-digit sales growth and North American-wide distribution in the six years since launching. Cantal has achieved much in that time personally, as well. He has earned several industry awards and his latest recognition came in June when he received the Lifetime Member Award by the American Society of Gas Engineers, the youngest person ever to be presented with this prestigious honor.

Hearth & Home spoke with Dante Cantal recently to catch up on what's been happening and continue the conversation we left off six years ago.

Hearth & Home: When we first met, you had just taken the leap to launch your own branded grill line after years of success as an OEM manufacturer. Looking back, are you still happy with that decision?

In the backyard of his California home, Dante Cantal has created a spectacular Outdoor Room and a show-case for products he manufactures.

Dante Cantal: "Yes, definitely. The decision to start Twin Eagles was mostly born out of necessity. At the time, we were at a crossroads as an OEM manufacturer. Ducane, one of our biggest accounts, was going under, and many of our other OEM customers were leaving us to source cheaper product from China.

Cantal: "When we first started, we brought our product to local dealers we knew in southern California. Many of them took on our new grills because they knew Doug (Pryor, Twin Eagles' sales manager) and me from when we were at Lynx – it was completely on trust because of our previous relationship. That

"We appreciate everything the dealers do for us, even today. If a dealer complains, they do it because they care and want us to improve. Dealers compliment us too. We forward these messages to all our employees at every level, because it inspires them and makes them feel part of the team."



The showroom in the Twin Eagles factory in Cerritos, California.

"Previously, we had not wanted to compete with our customers by introducing our own grill brand, but times were changing and the marketplace was different. It was a scary situation and we had to adapt and respond."

You had extensive experience as an OEM manufacturer. How was this different?

Cantal: "As an OEM company, after designing and manufacturing the product we would have handed it off to our customer to take care of things from there. But with our own brand we had to deal with the sales and marketing. That was all new to us."

Tell us about the learning curve in your new venture.

fact came with a big responsibility and has guided our philosophy to this day.

"We believe we work for our dealers and distributors, and it is our responsibility to make their jobs as easy as possible. We strive to give them products the consumer wants, the tools and education to sell those products, and superior customer service to back it up.

"So, after we signed on our first dealers, we spent all of 2007 listening to them. We learned what they wanted in terms of products and customer service. For example, dealers emphatically told us they did not like automated customer service systems. That is why we implemented a 'live' customer service system. You can always speak to a live person at Twin Eagles.

Did you change your products or your company based on what you learned during that year of listening?

Cantal: "In 2008 we completely redesigned and revamped the Twin Eagles line. We incorporated many improvements based on dealer feedback."

You had just barely launched Twin Eagles when the recession hit. How did that impact your business?

Cantal: "When the recession hit in 2008, we decided we weren't going to slow down like some of our competitors who stopped R&D on new products, stopped marketing, stopped going to trade shows. Our philosophy was to go full force so when the economy improved we would

be far ahead of the competition. This strategy has worked. We gained a big market share during this time and grew between 22 and 33 percent each of the last three years."

Was your lower-priced Delta Heat line introduced in response to the economy?

Cantal: "Our dealers were requesting a lower-priced grill because of the economy and to better compete with all the Chinese imports. In 2009 we introduced Delta Heat. It's priced between \$1,300 and \$2,200, compared with \$2,700 and up for our Twin Eagles grills. The dealers were thrilled because it offered them a chance to sell at a wider price range. Dealers usually introduce Twin Eagles to a customer first, but if it is not within the budget, the dealer can show them Delta Heat. They are able to close more sales."

Which of the two lines is the better seller and why?

Cantal: "By far the Twin Eagles line outsells Delta Heat, probably 90 percent to 10 percent. We put much greater emphasis and focus on Twin Eagles; it's our priority. Delta Heat has done well for us, but there are many well-established competitors at that price point. We're better known for the high end."

Where is the Delta Heat line made?



Seamless welding is essential to all Twin Eagles products.

Cantal: "Initially, we designed Delta Heat grills here, but manufactured them in China for cost savings. After a while, we began to realize the difficulty of controlling the quality in China. We were spending lots of time testing each grill to ensure it performed to our standards, so any cost savings was being eaten up.

efficient and produce product faster.

"Ironically, now our OEM division is growing again and has become a very important part of our business. The companies that were going offshore are now coming back, although I won't reveal the brands. We are very selective regarding companies we work for as an OEM.



Inside the Cerritos factory.

"Last year we moved production of the 38-in. unit back to our California facility, and by the end of 2012 all manufacturing of Delta Heat will be done in-house in the U.S., just like Twin Eagles.

"When we first introduced the line, dealers didn't think 'Made in the USA' was important, but that sentiment has evolved and it is now significant to more people."

Has moving production back to the U.S. made you less competitive against off-shore imports?

Cantal: "No, on the contrary. The way to compete with low labor costs in China is to invest in equipment that reduces labor and time. We added a fiber optic laser from Italy – it's only the second such machine west of the Mississippi. It's a cutting machine that is four to six times faster than a standard carbon dioxide laser, so it allows us to be more

Because our name is still associated with the product, it must be to our standards."

Amazing how it has come full circle. Earlier you mentioned that selling and distributing the grills were new challenges when you launched the Twin Eagles brand. Six years ago you were mainly selling dealer-direct. Is that still the case?

Cantal: "Getting distribution established was critical to moving forward with Twin Eagles. We decided initially to sell dealer-direct, carefully targeting one area at a time to expand distribution, rather than take a shotgun approach. We would analyze the area and hone in on our target. We are very niche oriented. Most highend grill manufacturers sell through appliance dealers, but we focused on hearth dealers because they *specialize* in barbecues. Hearth dealers have knowledge of the category like no one else.

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Cantal, a gas products engineer with a strong background in gas grills, is also a hands-on manager.

And specialty stores are usually family owned, like our business.

"Today, we primarily still sell dealerdirect in most states; however, we do work with distributors in parts of Canada, the Northeast, Midwest and recently, Colorado. Our distributors are very important to us and have really expanded our sales in those areas.

"We are very big on training for our distributors and dealers, and we bring them to our facility for training sessions. It really pays off when salespeople can explain about the company, that the product is handmade in the USA, how it's shipped, that the owner is a gas engineer who has designed the grill to perform efficiently. It helps them to differentiate our product from others."

You launched another new venture recently – an outdoor island business. How is that going?

Cantal: "In 2010 I partnered with Alberto Olivo and we started Outdoor Entertainment Islands. Initially we made display islands for dealers to showcase our builtin grills and equipment in their stores. We didn't sell them at first because we didn't want to compete with dealers who were already building and selling islands to their customers. But the opposite happened; dealers wanted our islands and asked to sell them."

background in gas grills,

Of the grills you sell, what percentage

is built into outdoor kitchens? And are

these grills typically sold individually or

along with other appliances?

Cantal: "About 85 percent of our grill sales are built-in and 15 percent are cart models. As a premium brand, the bulk of our business has always been built-

with access doors, but in many cases they are sold with a number of other appliances and accessories. We find that the more components dealers display, the more people buy."

What has happened with the outdoor

in. Built-in grills are almost always sold

What has happened with the outdoor kitchen trend since you first launched Twin Eagles?

Cantal: "In 2006 the economy was very good and the outdoor kitchen trend was doing very well and growing rapidly. When the economic downturn hit, it eliminated the 30 percent of outdoor kitchen buyers who were financing these projects with home equity loans. Even the high-end buyers who still had money got nervous. Outdoor kitchens declined a little for a few years, until the wealthy regained confidence in the economy and began to start projects again.

"Even though the aspirational buyers went away, the outdoor kitchen trend has started to grow again at a rapid rate in the last couple of years. In fact, the category is coming back in a bigger way as people learn about all the different appliances and amenities that can be built into an outdoor kitchen. We get calls from dealers all the time who tell us they have just sold their biggest or most expensive outdoor kitchen to date."



Twin Eagles products are hand-crafted with incredible attention to detail.

Where do you forecast the category will be five years from now?

Cantal: "In five years I think it will continue to grow, driven by the greater awareness of outdoor kitchens and all the components available for them across the country. This category is not as tied to desirable weather as some people

in the barbecue and appliance industries, and I attend Expos for the commercial cooking equipment industry to look for inspiration. Right now, my wife Fannie is pushing for a charcoal grill for next year."

Looking long term, where do you expect your company to be in five years?

What about your staff and facility? Are these some of the areas you have addressed to handle the growth?

Cantal: "Yes, absolutely. We had 40 employees when we started marketing our branded grill in 2006 and now we have 123 and are hiring more. I used to micromanage out of necessity,



The Twin Eagles plant is clean, bright and airy.

think. People in cooler climates are willing to spend the money to enjoy the good weather they have – you see pools in backyards in the Northeast, don't you? In fact, the Northeast and Texas are growing fastest for us. The Southeast seems to have gotten hit hardest with the economy, so that region is coming back at a slower pace."

Any new products on the drawing board?

Cantal: "We are working on 2013 products now. We try to continually introduce new items and ask our sales reps and dealers for suggestions and ideas. Our product engineers monitor trends

Cantal: "In five years we expect to double our sales. This sounds ambitious, but actually it is a conservative estimate based on our sales experience over the past three years and our reps' forecasts. In five years we expect our distribution will still be growing, both in North America and even in Europe, where we have begun getting many inquiries.

"Our goal is to make the company as efficient as possible and put the right people and procedures in place to accommodate future growth. The last thing we want to do is outgrow ourselves as some companies have done when they have grown too fast or do not have the systems in place to handle the sales increases. We have a fantastic team." but now we have excellent people in place to handle sales, marketing, purchasing, production and customer service. We are up to two shifts now. In 2006, our facility was 45,000 sq. ft. and we have since added 20,000 sq. ft. next door."

Dante, where do **you** expect to be in five years? Will you still be at the helm of Twin Eagles?

Cantal: "Yes (laughs)! I'm able to take a vacation now, and I can spend time with our new twin granddaughters – we call them our twin eaglets – but I have no plans to retire. My attitude is, Why walk when you can run?"

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Creative design, innovative engineering, precision manufacturing, and impeccable quality control — all under one roof!

Twin Eagles develops, from design prototyping to testing to final production, gas grills and outdoor kitchen accessories at their state-of-the-art company owned facility in Cerritos, California.

The Twin Eagles family consists of passionate, highly trained designers, engineers and skilled craftsmen bringing you exquisite products and clearly...

Defining the Art of Outdoor Cooking.

