

# Man and machine

## Things to consider when purchasing gutter-forming equipment

By Mark Ward, Sr.

**Buying a seamless gutter machine is the biggest investment** most installers will make in launching or expanding a gutter business.

Should you buy a machine to make 5-inch or 6-inch gutters, or one that makes both? If prices for machines are comparable across the industry, how do you choose between one manufacturer and another? Are used machines a viable alternative? When does it pay for an installer to add a machine for making half-round gutters or other specialty high-end products?

To find some answers, *Gutter Opportunities* spoke to some of the nation's leading gutter machine manufacturers to hear their advice for installers, as well as learn what considerations they face in bringing their machines to market.

### Keeping Control

At Englert Inc., a manufacturer based in Perth Amboy, N.J., guttering sales specialist Fred Gutowski recalls how the company sold its first seamless gutter machine in 1967 for less than \$4,000. Ever since then, he says, "The number-one reason that people buy machines is control. The gutter is the last thing that goes on a house. So you don't finish the house — and you don't get paid — until the gutter is hung."

Contractors who buy machines from Englert, Gutowski explains, are usually fed up with waiting to get paid after the roofing and siding have been installed. "You can run your business with the most experienced applicators, the newest and best trucks, and all the great new tools available to the trades," he points out, "and even then, the one thing that holds you back from completing the job is getting the gutter installed."

After these contractors experience repeated instances of waiting for gutter sections to be delivered to their jobsite, Gutowski says, "They're ready to buy a machine and produce their own gutters in the field." Companies can make their own gutters at a lower cost-per-foot than by purchasing materials from a cut-and-drop subcontractor. So he says that the \$6,800



RainDrain photo

price of an Englert 5-inch gutter machine can be paid off in less than 40 days (see page 24) and yield annual savings of around \$50,000 in material costs.

"By having your own gutter machine," Gutowski advises, "you get quality control, destiny control — and diversification. With a machine of your own, you can take on retrofitting jobs for existing homes. And you get the other contractors to pay you for cutting their gutters and dropping the material at their jobsites."

In deciding what machine to buy, Gutowski suggests that installers check out the manufacturers' service and support. "Most manufacturers are in the Midwest," he points out, "so you may have to wait for service if you buy direct from the manufacturer, or from a manufacturer who doesn't have an experienced distributor in your area. You want to be sure that you can get good service from experienced people, so that you avoid downtime."

Intense competition among gutter machine manufacturers means that prices vary by only a few hundred dollars across the industry, Gutowski observes. For example, in addition to

the \$6,800 Englert machine for 5-inch gutters, the company offers a 6-inch machine at about \$8,000 and a 5- and 6-inch combination machine at about \$12,000. A 7-inch machine to run gutters for commercial jobs will be introduced in the near future.

Since machine prices do not vary widely, Gutowski adds, "You can get a new machine for only a few thousand dollars more than a used machine. Used machines generally cost about \$3,000 to \$3,500. So you might save a little bit up front. But is it worth it, when you have to sacrifice the better technology and the warranty that comes with a new machine?" One viable option, he says, is to buy a reconditioned machine from Englert or another manufacturer.

"Gutter machines today have had a lot of improvements," Gutowski says. "There are swivel spools so that you don't have to pick up and turn the coil when you run it. And now we've got neoprene rollers so that you can roll-form any gauge of any metal without adjusting the machine. Rack-and-pinion guillotines improve the cutting. So in comparing a new machine to a used model, don't forget that the newer machine might make you more productive."

### Here's to a Long Life

Another problem with used machines "is the wear and tear they've had, because they've often been abused in the field," suggests Mitch Nelson, vice president of sales and marketing for Pacific Rollformer of Eugene, Ore., a manufacturer of fascia- and ogee-style gutter machines. "You also have to consider the age of a used machine. If it's got the old herringbone gears, for example, they don't even make those anymore."

Nelson prefers to explain the benefits of purchasing a new machine. He admits his company's models "are the most expensive on the market" at about \$10,000 for a 5-inch gutter machine, compared to an industry average he places at \$5,500. "But our selling point is that we have machines that run for 20 to 25 years, and they require little if any adjustment so that you can run any kind of metal — aluminum, steel, copper, or zinc."

Making a dependable gutter machine brings with it an inherent challenge, explains Pacific

Rollformer president Jerry Pengra. “The most common service issue is caused by the ‘edge-to-edge’ nature of running coil. You’re feeding flat stock into a machine, which is like going downhill on a sled without runners. So it’s the drive system of a gutter machine that determines — in a hurry — whether things are going to go good or bad.”

Pacific Rollformer’s machines employ a “direct-drive” system in a design the company created in 1959. Other manufacturers use “gap-and-camber” drives, Pengra says, or “rubber-drive” systems that have been introduced over the past decade. “The drive system with the least contact gives you the best product,” he advises.

According to Pengra, there are perhaps “six or seven major manufacturers” of gutter machines in the United States. Though Pacific’s machines have twice the weight of other models, he continues, “We market our products as ‘the only machine you’ll ever buy.’” While competing machines have an industry-average service life of seven to 10 years, he contends, Pacific machines last an average of 17 to 22 years and run an average of seven to nine years between service calls.

The future development of gutter machine technology presents a yes-and-no scenario, Pengra believes. “On the one hand, with the growth of metal roofing we’re getting technological advances that could be applied to gutters,” he suggests. “Also, metal roof panels have started to be architectural pieces. Gutters haven’t even begun to realize themselves architecturally; they’re just a design afterthought. Ogee-style gutters are based on old Victorian woodcarving patterns. Maybe someday, somebody will get innovative with gutter designs — and then we’ll need the machines to make them.”

But other developments in the gutter industry are retarding technological development. “The gutter business is becoming less ‘corporate’ and more ‘mom-and-pop,’” Pengra points out, “because gutter installation is an easy business to get into. You just buy a machine, and many installers are only willing to pay so much.”

## Regional Variations

Whether an installer buys a 5-inch or 6-inch machine “will depend on the territory you’re in and the types of gutters sold there,” advises Jerry Jacobs, marketing manager for Jobsite Inc., a manufacturer of gutter machines based in Grand Junction, Colo.

Sales manager Andrew Wilke shares that opinion. “In the North and Northeast you see a lot of 6-inch gutter,” he reports. “In the South, Southeast, and Midwest a 5-inch K-style gutter is common. In California, half-round gutters are becoming popular with many homeowners. And in northern California, Oregon, and Washington, people like fascia-style gutters.”

## Buying by the numbers

Do the math, and it’s “fairly easy to find out how long it takes for a new gutter machine to pay for itself,” says Fred Gutowski, guttering sales specialist for Englert Inc. Though many large homes are being built today, he reports, residential gutters have historically averaged 120 feet of gutter per home. “If you use a subcontractor to cut-and-drop the material at your jobsite,” he continues, “your cost for gutter alone is somewhere around \$1.50 per foot or higher.”

The cost of running your own gutters starts with understanding the “yield factor” of a gutter machine. Gutowski calculates that a gutter machine should yield 2.238 feet per pound of .032 aluminum gutter coil, and 2.653 feet per pound of .027 coil. Thus the cost-per-pound of gutter coil can be divided by the machine’s yield factor to determine the contractor’s cost-per-foot of producing his gutters.

If the coil costs \$2 per pound, then a gutter machine would yield .032 gutters at 89 cents per foot and .027 gutters at 75 cents per foot. Either figure is a substantial savings over paying \$1.50 per foot or more from a cut-and-drop subcontractor. By saving 61 cents a foot for .032 gutters, the \$6,800 cost of an Englert 5-inch gutter machine would be made up after 11,148 feet — which divided by 120 feet per house would equal 93 jobs.

“Since remodelers average 2.5 jobs per day,” concludes Gutowski, “you’ll pay for your machine in about 37 working days.” Doing the same calculations for .027 gutters, and assuming a savings of 75 cents per foot, the cost of the machine would be paid off after 76 jobs or approximately 30 working days.

The same factors also can be used to calculate how much money a contractor would save in year. At 120 feet per job and 2.5 jobs per day, times five days a week and 52 weeks a year, the company would hang 78,000 feet of gutter. Saving 61 cents per foot on .032 gutters produces an annual savings \$47,580; similarly, a 75 cents-per-foot savings on .027 gutters yields a yearly savings of \$58,500 on the cost of materials.

— Mark Ward

Jacobs and Wilke also put the number of major U.S. gutter machine manufacturers at about half a dozen. “You want to buy from a manufacturer who’s been around a long time, especially in your territory,” Jacobs recommends. By contrast, he says that some companies have moved their manufacturing or parts operations offshore. Other key points to consider in looking at various models of gutter machines, he adds, “are the warranty, the drive system, the motor horsepower, and the type of roller — such as urethane-based versus hard chrome steel.”

How long a gutter machine will last, or how long it will go between service calls, “is determined more by the operator than by the manufacturer,” suggests Jobsite service manager Bill Davis. “Service needs mainly crop up as a result of having to switch the machine to run different kinds of metals,” he explains. “In some areas of the country you have to offer a variety of metals to satisfy your customers. So you’re probably going to need service on your gutter machine. But as a rule, you should be able to go about five years between service calls, if you take good care of your equipment.”

In addition to the key considerations cited by Jacobs, Davis says another vital factor for evaluating gutter machines is “the bracing that’s inside the machine and the material used for the bracing.” Over time, vibration can take its toll. Well-designed bracing, made of angle iron rather than simple flat-bar steel, can help.

Davis concurs that prices for machines are

fairly uniform throughout the industry. Jobsite’s models start at \$6,500 for a 5-inch gutter machine and rise to between \$14,000 and \$15,000 for combination machines that can run both 5- and 6-inch gutters.

“But there are two things to keep in mind with a combination machine,” warns Davis. “It can take a long time to change over from 5-inch to 6-inch operation, and you need maintenance people to do it. Most gutter companies can’t do it alone. And every time you change the machine it affects the settings. So after a year or so, the machine will need adjusting.”

Used machines can save gutter companies money on the initial purchase price. But installers who go that route, Davis cautions, “should first run some coil through the machine, and then take a hard look at the quality of gutter that comes out.”

Looking to the future, Davis expects to see a trend toward larger gutters — and larger gutter machines. “The industry is already seeing 7-, 8- and 9-inch gutters,” he observes, “and so I think as more of the larger gutters are sold, the machines to produce them will become more available.”

## Standing on Service

Given the competition among gutter machine manufacturers, “nobody who’s still around puts out a poor piece of equipment; otherwise, they wouldn’t still be in business,” contends Fritz Batz

of Knudson Manufacturing, Broomfield, Colo. “So if it’s true that all the machines on the market produce a hangable gutter, the difference among manufacturers becomes the level of service and support.”

Even price is not much of a differentiator among gutter machine manufacturers, Batz continues, “since all the manufacturers are fairly close on their prices.” Knudson’s strategy is not to market itself as the low-price leader but rather, he explains, “My goal is to have our machines run 30 to 35 years.” The company’s basic machine is priced at between \$6,000 and \$6,500, while its highest-priced combination machine costs between \$15,000 and \$16,000.

Knudson has been in business for 40 years and, says Batz, “Our machines have basically stayed the same. They tend to be machines that people throw in the back of their truck and work very hard. Gutter companies want basic technology that’s going to be a solid workhorse, day in and day out.”

Toward that end Knudson has stayed, for

example, with hardened stainless steel rollers rather than chrome plate, rubber, or neoprene. “We’ve tried adding things like computerized and hydraulic controls,” Batz reports, “but they don’t sell. In today’s gutter industry, if we put on features to our machines that add \$1,000 to the price, nobody will buy them.”

New gutter machines must also compete against used equipment, so that the price differential cannot be too extreme. “But if you decide to check out a used machine,” Batz advises, “don’t buy it sight unseen. If the roller is damaged, maybe because the previous owner ran a screw through the machine, then the roller will leave a mark that will show up on the gutter. If you have to replace damaged gutters then, at \$200 to \$300 each, the cost of those materials adds up and the used machine isn’t such a bargain.”

As long as the price of new machines remains within reach, many installers will opt for the security and performance of new model. But that is accomplished, Batz believes, in part by

providing basic and solidly dependable technology — and then offering quality support when any service is needed.

## A Technological Edge

At New Tech Machinery of Denver, sales and marketing director Gary Battistella says the seamless gutter business has a history of innovation. “Seamless gutter machines, when they came out in the late 1950s and early ’60s,” he says, “were a big technological advance over the days of having to solder sections together.”

In the 40 years since the original seamless gutter machines were established in the marketplace, three new generations of machines have been spun off and come to market. New Tech was the first to go beyond the original metal-to-metal drive systems and instead use an independent polyurethane drive and free-floating forming rollers.

Yet being a technological leader has come with a price. “Some competitors have copied us,” Battistella says, “and so we’ve had to do

# Machines: A supplier’s perspective

By Mike Milliman

There are several different types of seamless K-style gutter machines: 5-inch, 6-inch, 5- and 6-inch combination machines, 5-1/2-inch fascia machines, and machines with the Alcoa-style hook. Affordable machines to make seamless half-round gutters have yet to hit the market; current models cost approximately \$40,000 and are not portable.

Pricing for a new K-style seamless gutter machine can range from \$5,875 to \$15,000 depending on the size and brand. When buying a gutter machine most people ask what the major difference is between the types of machines. The main difference is the drive roll system, whether it is a polyurethane drive roll system or a steel roll system.

Polyurethane drive roll systems are considered the top of the line for the following reasons: First, they are free-floating; with no need to travel from jobsite to jobsite with coil in the machine, there is less material waste. Second, they enable the machine to run 24-gauge steel. Third, polyurethane rollers grab the coil better, which means less slippage in cold weather and condensation.

In addition, because machines with polyurethane drive trains are top of the line, they come with other bells and whistles that others do not, such as: turnstile uprights that rotate 360 degrees; push-button controls at entry and exit ends; and jog- and continuous-run switches.

With steel roll system machines you need to travel from jobsite to jobsite with coil run through the machine to prevent the machine from falling out of adjustment. Nor will these machines run 24-gauge steel. Both types of machines, steel- and polyurethane-drive, will run aluminum and copper.

Additional questions to consider when buying a gutter machine include:

*What size gutter does your market call for, 5-inch or 6-inch or both? If 5-inch, you need to know the size of coil is 11-7/8 or 11-3/4 inches. The gauge for all sizes is .032 or .027.*

*What material will you be running through your machine: aluminum, copper, painted steel, or a combination?*

*What is your time frame? Typical lead times for delivery of gutter machines are anywhere from 10 days to four weeks depending on the brand and model.*

*Where is the machine going to be stationed? Will it be in a shop, on a truck, or in a trailer?*

Gutter machines are usually sold in packages. They normally come with a set price for the machine, the uprights, the spools, and the guillotine. Some manufacturers include a couple of run-out stands in their package as well. Check what is available with the package to ensure you are comparing apples to apples. Accessories for gutter machines include:

*Run-out stands* that hold the gutter as it rolls out of the machine and prevent a downward slope in your gutter.

*Machine-mounted cradles* that go in place of an upright for easier loading and unloading of coils onto your machine.

*Floor cradles* that are great time-savers for smaller runs of gutters since you do not have to load a spool of a small coil for just a small footage. You place your coil in the cradle behind the machine and run it through.

Should you buy a new or used machine? Although gutter machines have changed slightly over the years, the gutter has remained the same. If you are looking for a bargain and the machine appears to have been taken care of over the years, you can find a good deal on a used machine.

Used machines will tend to fall out of alignment more frequently than a new machine, so you should be very familiar with any used machine you buy. If you are familiar with gutter machines and able to adjust them, a used machine is a good deal. Otherwise, the time and money to find someone who can periodically adjust a used machine will quickly offset your savings. Buying a new machine gives you time to become familiar with the machine before something happens. With a used machine, you never really know what you are getting.

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some research on how to boost our profits.” The assessment began with the recognition that “the market for 5-inch K-style gutters has gotten to where customers are only interested in price, and there’s a limit to what they’re willing to pay,” he says.

More than a decade ago, when competitors were selling gutter machines with the original metal-to-metal drive systems for \$6,200, New Tech was compelled to lower its \$7,500 price for a 5-inch gutter machine to \$7,125. “We believed that we had the better product, because our independent polyurethane drive lets you run different thicknesses of metal without having to adjust the machine,” Battistella recalls. “But if our machines were priced above the competition, what could we do?”

In order to better compete on price, the company expanded to Mexico in September 2004. New Tech’s Hermosillo plant is being operated in the same manner as the Denver plant, and every Mach II gutter machine produced in Mexico is delivered to Denver for rigorous testing and quality checks.

New Tech has passed the savings along to its customers, and the result is a technologically advanced 5-inch gutter machine that sells for \$5,875. New Tech has similarly been able to lower the price of its 6-inch machine from \$9,750 to \$8,500, and a combination machine priced at \$11,500 instead of \$13,950. Gutter companies have responded, he says, as New Tech production of 5-inch gutter machines has doubled since January.

One reason for the upsurge, Battistella says, is that the pricing structure makes new gutter machines a better value than used equipment. “If you look into used machines,” he cautions, “ask why the seller is selling. Is there a problem with the machine? That’s a big consideration, especially if the machine isn’t warranted.”

New Tech, which also makes metal roof and wall panel machines, has benefited from roofers’ desire to control a project from start to finish. “More roofers are starting to buy gutter machines so they can control their job finish, since they don’t get paid until the gutters are installed and the job is finished.”

Battistella believes combination machines that can run both 5- and 6-inch gutters are an option more installers should consider. “Our machine is designed so you can convert from one size to another in 15 minutes,” he says. “Especially if you’re a large company and send out several trucks, a combination machine lets you use one vehicle for both 5- and 6-inch gutter jobs, rather than having to send two different trucks into the same territory.”

Even start-up companies, he suggests, should look into buying a combination machine. “If you’re a new company and in an



Pacific Rollformer photo

area where both 5-inch and 6-inch gutters are sold, a combination machine will let you take more jobs and not have to use a subcontractor.”

For those who say the newer technology is more apt to go wrong, Battistella replies that New Tech trains its distributors to offer any support and service customers need. “Besides,” he says, “the life of a gutter machine really depends on the operator and the company’s maintenance program.”

## Material Differences

The choice of a gutter machine also depends on the operator, says Kenneth Minor, executive vice president of KWM Gutterman Inc., a manufacturer based in Rockdale, Ill. “In buying a machine,” he counsels, “ask yourself what kind of material you’re going to be running through the machine.”

Installers who run copper or steel in addition to aluminum, he points out, “might want to consider a gutter machine that has passive rollers with a urethane drive train. You’ll pay about 7 to 10 percent more for the machine, but you’ll be able to roll different materials without having to adjust the machine.”

Minor agrees that the U.S. market is served by perhaps a half-dozen major gutter machine manufacturers. “But you also need to look at the distributor you’ll be working with,” he advises. “Can your distributor give you service, so you don’t have to send your gutter machine back to the factory? And is your distributor factory-trained by the manufacturer?”

Like other manufacturers, Minor pegs the average industry price of a 5-inch gutter machine at \$6,000 to \$7,000; a 6-inch machine at \$8,000 to \$9,000; and a combination machine

at \$12,000 to \$13,000. “It depends on the options you select,” he says.

Despite the closeness in prices, Minor believes there are differences between gutter machines. One key consideration, he explains, is the uprights (or spools). “The uprights can be a problem,” he states, “if they’re not adequately supported with a solid-frame support system that’s independent of the machine’s own frame. Remember, the machine itself weighs 1,100 to 1,200 pounds and putting on a coil can add up to another 1,200 pounds — though most coils weigh around 350 to 400 pounds.”

On the other hand, gutter machines also have an inherent advantage that adds to their service life. “The machines are slow-moving, only about 25 to 30 feet per minute,” Minor explains, “and so they should last a long time. If you have to replace a machine in five or seven years, it’s because of operator abuse.”

Minor’s own opinion of combination machines is they tend to work best for smaller operators. “If you’ve only got two or three employees who are changing the machine over from one size to the next,” he contends, “then they know the machine and know what they’re doing. But if you have eight to 10 employees who will be using a combination machine, that’s too many people. The adjustment and settings will get messed up with that many people all making changes to the machine.”

A used 5-inch gutter machine can be bought for between \$3,000 and \$4,000, Minor says. KWM Gutterman reconditions used equipment, he adds, “and if you buy a reconditioned machine from a distributor who knows the product, that can be a great way for a new installer to get started. On the other hand, it’s risky if you buy a used machine from another installer.”

The gutter market is evolving and KWM strives to stay ahead. The company plans to introduce a half-round gutter machine in the near future, says Minor, to serve the increasing demand for half-round products. On the other hand, KWM does not make gutter machines capable of producing gutters with protective covers. “We just don’t think one-piece gutters with gutter protection really work,” states Minor.

According to Minor, KWM is committed to researching continued improvements in gutter machine technology. “In the future I think we’ll see improved guillotines, and features that improve inventory control and overall user-friendliness.” Yet in the end, he believes, “The basic technology will stay the same. There are tons of things we could do in adding new features to gutter machines, from digital controls on down. But the marketplace dictates that, if you raise the cost of the machines too much, nobody will buy them.” **GO**