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FOLEY ENGINES

M. Diane McCormick



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t Foley Engines, evolution is in its 104-year-old DNA. By serving distinct niches as needs become apparent, the specialist in industrial, new, and remanufactured engines has ridden the ups and downs of economic cycles. "When one is down, one of the others usually picks up the slack, so it makes for a nice, balanced stool," says President Jay Foley. "That's how we see the world."

Foley Engines was founded in 1916. Now considered one of North America's oldest engine distributors, the shop remains in the Foley family. Jay Foley's grandfather, William Foley, started the business selling Goodyear tires, at a time when Americans were replacing their horse-drawn buggies with Model Ts, and tires lasted no more than one year.

Today, business comprises a comprehensive portfolio of products and services, all stabilized by service in the areas Foley calls his "five-legged stool" -- remanufactured material-handling equipment engines, remanufactured Perkins and Deutz engines, customized diesel exhaust scrubbers, power takeoff clutches for wood chippers, and Deutz engines and parts. The Worcester, Massachusetts, operations include a 20,000-square-foot warehouse holding about 600 unique off-road engines.

Evolution began during the Great Depression, when the tire business evolved into a custom rebuilder of industrial engines. That paved the way for World War II, when Jay's father, John Foley, entered the business.

"The war was on, and as a country, we needed people who could overhaul engines quickly for the military," Jay Foley says.

The first leg of the stool dates to the postwar years, as the shop began specializing in rebuilding the engines for material handling equipment, "which is a fancy way of saying forklifts," Foley says. Customers include lumber yards, construction companies, and foundries.

"It's a small niche, but it was profitable. People with material handling equipment, like all equipment owners, are very sensitive to downtime."

To minimize downtime, Foley Engines offers a remanufactured engine exchange, sending dynamometer-tested remanufactured engines off the shelf to businesses that, in return, send the old engines known as cores to Foley Engines for remanufacturing and sale to another customer.

"It seemed to work," says Foley. "We were in it for the long haul. We had a long-term perspective. We knew if we bought the cores and had remanufactured exchange, we could do a good job, because our customers would come to us looking for no downtime, and have one firm, fixed price."

In 1965, the business became a Perkins engine distributor and remanufacturer – leg number two, and "a big step forward, because Perkins is a big-name brand." In the 1980s, John Foley was ready to retire, and Jay Foley was an Ivy League Ph.D., teaching economics and sociology at University of South Carolina. Jay decided to



put business theory into practice.

"I left USC in Columbia, moved to Massachusetts, and took over the firm," he says.

He didn't realize it then, but a perfect storm of trends made his timing ideal. The internet was blossoming, allowing the business to advertise beyond its geographic region. Telecommunications were deregulated, bringing down the costs of long-distance phone calls needed for customer service. Deregulated shipping creating competition that drove down prices. And small-package shipping was just taking off.

In that whirlwind, Foley Engines spotted opportunity.

"Those changes in American society were fantastic, enabling people like us to grow and expand," Foley says. "Prices were down, customer service went up tremendously, and we could ship nationwide very easily."

Business "bubbled along," but the climate grew increasingly competitive as others adopted similar practices, so Foley Engines explored niches to pursue. The niche with the most promise was diesel exhaust scrubbers, as regulations required engine emission controls making it safe for construction workers to breathe in confined spaces. In another stroke of good timing, Foley Engines had been in the sector for about five years when the opportunity arrived to provide scrubbers for the "Big Dig," Boston's conversion of a highway into a tunnel. The company also supplied scrubbers for construction of the 9/11 Ground Zero Memorial in New York City.

Scrubbers remain in the Foley lineup, as leg number three. "Enlightened property owners want scrubbers on all their construction equipment – colleges, hospitals," Foley says. "Often, generators are located near the HVAC system, which pollutes the system, so our scrubbers prevent that air contamination."

Leg number four is a small but vibrant niche – servicing wood chippers, with new and remanufactured WPT and Twin Disc clutches. The wood chippers' highly specialized power



takeoff clutches have a high mortality rate, creating opportunity for a business that markets through tree care associations and carries a substantial stock.

"If a fellow ruins his clutch, we have one on the shelf," Foley says. With demand rising for mulch, the tree-care segment remains "a fantastic business, as long as gravity still exists."

The tree-care industry is also a significant market for Foley Engines' Deutz engines, or leg number five. Deutz fills the bill for those needing lightweight power, and Foley Engines offers new and rebuilt engines plus reliable expertise.

Foley Engines' 26 dedicated employees – factory-trained and highly knowledgeable -- are "a key component of success," says Foley. He values their contributions and sees their above-market compensation as an investment in human capital.

"Some have been with us for more than a decade," he says. "While the impact of diverse product lines is important, it's the people who make it happen."

The team includes Dr. Diesel, an Einstein-like character who answers questions emailed to him – 15 to 20 per day. Dr. Diesel appeared when Foley Engines officials were debating how to differentiate from the competition. Today, he is part of an information-based company culture that includes YouTube videos and "Tech Tips" offering hints on everything from

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"We wanted to compete on knowledge, not on price, so we had this character called Dr. Diesel that would answer any questions you might pose," says Foley. "He would offer solutions."

Business remained steady during the COVID-19 pandemic shutdown, even rising among customers who used the downtime to overhaul old equipment. Strict rules have kept customers out of the building, but they can have parts shipped or pick them up outside.

Foley Engines also reached out to the community during the pandemic. When local shelters needed clean clothes for residents but couldn't come up with the cash payments demanded by local cleaners, Foley Engines contributed substantially to a Worcester laundry fund. Early in the pandemic, the business also donated shop masks to a local hospital that was struggling to find PPE.

Through it all, the customer-solution credo is so ingrained in Foley Engines that anyone who calls as late as 5 p.m. will get their order shipped that day, "even if we have to lie down in front of the UPS truck to get it out the door," says Foley. "It's a big part of our culture. It's what we do here."



