

# LENNOX®

## THE MARKET

Lennox Industries is a worldwide leader in home comfort. The company markets its air conditioning, heating, and indoor air quality products through a network of more than 7,000 dealers worldwide.

## ACHIEVEMENTS

*A passion for new ideas.* That's what Dave Lennox had when he built the first riveted steel furnace, working in what one observer described as "an overgrown blacksmith shop" in Marshalltown, Iowa, in 1895. Far more durable than the cast-iron furnaces common at that time, the Lennox furnace set new standards for indoor comfort and safety for the industry.

In 1935, Lennox pioneered the introduction of a forced-air furnace for residential heating, drastically improving heating efficiencies and comfort. The Lennox Stowaway gas furnace, developed in the late 1930s, was the first home furnace designed for attic or crawlspace installation, the perfect solution for heating homes with no basements.

More product innovations came in the 1960s with the Duracurve, a new heat exchanger that

reduced noise problems common in furnaces of the time. The first packaged multi-zone units for commercial heating and cooling were built by Lennox in 1965, ushering in a new era of efficiency and comfort for schools, churches, and office buildings.

In the 1970s and 1980s, the company led the industry into the high-efficiency heating and cooling markets. Lennox increased air conditioning efficiency with the development of the two-speed hermetic compressor in 1973, and with the first high-efficiency gas furnace in 1982.

In 1994, the company became the first major manufacturer to produce a combination high-efficiency residential space/water heating system.

Important product innovations in commercial air conditioning were introduced in the 1990s. Lennox' factory configure-to-order system for commercial air conditioning began in 1995, with the introduction of the L Series® commercial line.

In 2002, the company introduced its Dave Lennox Signature® Collection of top-of-the-line home comfort equipment, utilizing its own Silent-Comfort® technology that has allowed it to produce the quietest air conditioners and furnaces on the market today. The company also introduced its new PureAir™ air purification system, an appliance that cleans the air in a home better than any other system on the market, according to independent test results.

## HISTORY

Sweating for long hours in his "overgrown blacksmith shop" in Marshalltown, Iowa, Dave Lennox began building the first Lennox furnace. Lennox, son of an expert railroad mechanic, used his own mechanical genius to design and build the first riveted steel furnace in 1895, thus revolutionizing the home heating business. The riveted steel



furnace was a vast improvement over the cast-iron furnaces then available.

Lennox started the Lennox Machine Company when he first came to Marshalltown in 1888. He got his start as a manufacturer of architectural materials, boilers, engines, and farm implements.

The superiority of Lennox' redesigned furnace was obvious, and Lennox furnaces quickly became popular. But by 1904, Lennox was tired of the furnace business. An interested group of local businessmen bought the furnace business from him for \$54,789.14. During their first year of ownership, the Lennox Furnace Company sold 600 furnaces. One of the primary new owners was David Windsor (D. W.) Norris, who later purchased the remaining company stock.

Long after Dave Lennox sold the company to the D. W. Norris family, that same passion for innovative new product and growth strategies continued. D. W. Norris tapped into that same spirit of innovation in the way he marketed Lennox furnaces, choosing to sell directly to the installing contractor using a one-step distribution strategy.

By the 1920s, Lennox was expanding beyond its Iowa roots into other parts of the United States. By the end of the 1930s, because of innovations made in its product line during that decade, Lennox was the world's largest manufacturer of forced warm-air heating systems. While special government orders kept Lennox from making furnaces during most of World War II, the company retooled its factories and prospered through defense work.

By the early 1950s, Lennox had established operations across the United States and Canada,



and in 1955 its name was changed to Lennox Industries Inc. In 1952, Lennox moved into the cooling business, despite skepticism from many industry experts, and developed the first residential central air conditioning system. The company scored an overnight success.

In 1960, Lennox' first international division was formed, expanding its growth into England, Holland, and Germany. The company continued to grow in the 1970s. Dave Lennox would hardly recognize his overgrown blacksmith shop today, but he would recognize the same dedication to new ideas and industry leadership. It's a tradition of innovation that began in the horse-and-buggy days — and is just as vital in the 21st century.

## THE PRODUCT

Lennox' century-old commitment to quality products and services continues as it implements sophisticated, lean manufacturing processes at many of its facilities, resulting in better products for its customers, built faster.

Lennox is developing highly sophisticated e-commerce systems that make it easier and faster for customers to communicate and do business with the company. The company is constantly exploring new ways to enhance its products and services by listening to customers, refining processes to improve quality and efficiency, and evaluating emerging technologies.

Originally led by Dave Lennox, Lennox has carefully expanded its product line to include many models of air conditioners, heat pumps, boilers, hearth products, and furnaces, as well as products to improve indoor air quality. At the same time, it has ensured that each product represents the traditional Lennox standards of reliability and trust.



## RECENT DEVELOPMENTS

Dave Lennox' emphasis on practical innovation lives on in Lennox' commitment to expanding its fast-growing e-commerce systems with input



from customers. The emphasis on innovation is also evident in the recent development of Web-based controls for residential and commercial comfort systems.

To meet consumers' growing demand for quieter heating and cooling equipment, Lennox recently introduced the quietest furnace and central air conditioner on the market, based on independent laboratory testing.

Innovative new technology developed by Lennox is making it possible for the company to introduce home cooling systems as much as 16 times quieter than current products on the market, as well as home heating systems up to 84 percent quieter than current systems. Several key engineering developments — part of Lennox' SilentComfort® technology — made critical advances in sound reduction a practical reality.

In 2002, the company also introduced its new PureAir™ air purification system, an appliance that cleans the air in a home better than any other system on the market, according to independent test results.

## PROMOTION

Lennox has had some of the most memorable advertising campaigns in the heating, ventilation, and air conditioning industry. In the 1970s, the "Dave Lennox" character evolved quickly into a widely used company spokesperson. "Dave Lennox," wearing his overalls and cap, represents Lennox' tradition and innovation. The phrase "Atta boy, Dave," used in television and print ads, became popular. As the highly successful campaign continued,

"Dave Lennox" began to work with Lennox dealers in their local advertising markets. Thirty years later, the popular icon makes personal appearances at various industry events and is featured in Lennox advertising.

## BRAND VALUES

Both Dave Lennox and D. W. Norris defined the basic values that helped Lennox grow from an overgrown blacksmith shop in a small Iowa town to a global leader in the climate control industry. Even in today's far more complex business environment, Lennox still finds success and growth opportunities in following and expanding on those same values. After growing in the midst of many difficult domestic and global challenges over more than a century, Lennox is firmly committed to maximizing its performance in the public sector.

## THINGS YOU DIDN'T KNOW ABOUT LENNOX

- Lennox managed to survive during the Great Depression partly by securing government contracts, including heating the barracks of workers in the Civilian Conservation Corps.
- The Lennox Equator was the first commercially produced furnace to utilize a blower, a major development in the industry.
- In 1943, Lennox contributed to building submarine-hunting destroyer escorts for the U.S. Navy.
- In the 1950s, Lennox manufactured a number of innovative products, including the Prairie Schooner, a popular way to spot heat garages and building construction sites, and the Holiday House, an aluminum structure used as a garage or a screened-in entertainment center. Other Lennox innovations were the crop drier; the tobacco drier, which was later used to provide warehouse heating to keep stored canned goods from freezing; and the Kittytrack™ lawn tractor, which featured tracks instead of wheels.