

E.W. Kaufmann Co.



E.W. Kaufmann, president – Brian O'Connor

PROFILE

E.W. Kaufmann Co.
www.ewkaufmann.com
HQ: Bristol, Pa.
Services: Specialty chemical distribution
Stephen Schmidt, VP of marketing:
 “We left old communications and network items behind.”

E.W. Kaufmann sources specialty chemicals and raw materials for more than 30 North American manufacturers.

EARNING ITS REPUTATION

A new state-of-the-art facility allows E.W. Kaufmann Co. to streamline its warehouse operations and quicken customer response time.

By Brooke Infusino

Specialty chemical distributor E.W. Kaufmann (EWK) Co. knows its customers have a plethora of suppliers it can select from when it comes to their chemical needs. But they also know it takes a certain level of expertise and a well-run distribution operation to get the most suitable product delivered on time and with the utmost level of service.

With these attributes, EWK has become the primary source of specialty chemicals, raw materials and process equipment for more than 30 manufacturers in North America, not to mention one of the most

well-respected solutions providers in these sectors, Vice President of Marketing Stephen Schmidt says.

EWK differentiates itself from its competitors through its diversified product base, experienced sales personnel and customer service. EWK carries one of the largest varieties of specialty chemicals and equipment in the Northeast and operates four distribution centers, including its headquarters in Bristol, Pa., which enables the company to deliver chemical products more efficiently and without error.

Schmidt recently spoke with *U.S. Business Review* about recent changes to the company’s business operations given

the current economy and a recent capital investment that will give it an edge in the marketplace.

U.S. BUSINESS REVIEW: Tell us about any recent investments that have impacted operations.

STEPHEN SCHMIDT: The company completed its move to a state-of-the-art facility in 2008. The new facility united our office and primary storage facilities under a single roof. With a 35 percent increase in storage area [and] multiple loading bays, we have greatly streamlined warehouse operations. Uniting the offices allowed for closer interaction between sales and operations, improving our response times. We wanted to modernize ourselves and we wanted to find a nice central location, which we did on I-95, about five miles from the Pennsylvania turnpike. To avoid downtime or any delays to our customers, we left old communications and network items behind, allowing us to further improve our network and communications backbone. We can even offer same-day delivery in many circum-

stances if the orders are placed by noon for stock products within a 200-mile radius.

USBR: What makes the company's warehouse state of the art?

SS: Our new facility was completed in June 2008. Our office area was completely renovated with large conference areas and efficient access to records and personnel. We worked closely with the county fire department, our insurance company and fire prevention engineers in designing the new warehouse. It was completed with a new flammable storage area complete with in-rack sprinklers, a new fire pump and foam system. The entire facility is protected with fire and burglary monitoring, and access control was installed to protect the public, our personnel and the products.

USBR: Describe your key strengths in the industry. Of the products you manufacture, which are best sellers?

SS: EWK has always been a premier technical sales organization. Our customers have come to rely on our salesmen and our suppliers who support them, for assistance

meeting the challenges that face them, as well as for introductions to the latest technologies promoted by our suppliers.

Equipment fills a much smaller but still important role in our company, allowing us to recommend both physical (manufacturing) as well as chemical solutions to our customers problems.

USBR: Who is your target market? What have they come to expect of EWK? What is the percentage market share of your clientele?

SS: Our core industries remain paint and coatings, caulks and sealants, and rubber and plastic, with a growing presence in other markets such as industrial and institutional, personal care, food and pharmaceutical.

USBR: How has the economic climate impacted business?

SS: As with most companies in our industry, we have definitely been impacted by the economic downturn. We have traditionally operated the company in a fiscally conservative posture. We have maintained a strong financial backbone and

Sheet • Rod • Tube • Film • Foam Tape

BALTIMORE
800.492.4096

CHICAGO
800.566.6825

CLEVELAND
877.348.8825

DETROIT
800.828.3166

FORT WAYNE
800.288.1444

GRAND RAPIDS
800.496.0400

HARRISBURG
800.442.5839

INDIANAPOLIS
800.382.4835

NEW ENGLAND
866.874.7471

NEW JERSEY
888.874.7471

NEW YORK
866.718.8825

PITTSBURGH
877.338.8825

TAMPA
888.318.8825




Your Total Plastics Source

Total Plastics, Inc.™ provides superior regional service and carries a broad selection of top quality plastics.

Total Plastics stocks over 2,000 types of plastic and related products in various shapes, colors and forms. Call your local TPI branch today!

800.456.0400

www.totalplastics.com

- Corrosion Inhibitors
- Flash Rust Inhibitors
- Tannin Stain Inhibitors
- Specialty Chemicals

Imagination x Ingenuity + Implementation

"True innovation is the product of imagination and ingenuity combined with the unique ability to implement the results to the maximum benefit of all our valued stakeholders."



Invotec LLC
P.O. Box 129, Oswego, IL 60543

Ph 630.636.6003. Fax 630.551.1132. Email: invotec@comcast.net

E.W. Kaufmann Co.

E.W. Kaufmann Co. says its lot-control inventory system resulted in improved inventory turns and lower inventory levels.



good relations with our banks and other financial institutions. Early on in the cycle, we review our expenses and cut where possible to ensure financial stability. This has allowed us to continue positive operations without the need to downsize the work force.

We cut back on spending as much as we could and worked with our suppliers in partnering during these tough times. We were able to make better offers than in the past, and we were able to cut enough expenses to maintain all of the current employees positions.

USB: Customer support seems to be a major component. How does EWK maintain this part of the business?

SS: We have retained full employment through this downturn. Our customer service is continuing to take a larger part in the sales effort, supporting our sales people on the street. We represent 30 manufacturers and our relationship with many of the principals is exclusive.

USB: Describe how your supply chain is organized.

SS: We work with premier suppliers in all areas of our business and target the technical sale. We shy away from commodity business, as our sales force is best suited to providing solutions to customer problems. Most of these arrangements are exclusive, allowing us increased access to technical information from our suppliers.

USB: What is your approach to inventory management?

SS: Years ago, we initiated our lot control inventory system. With the recent hiring of our general manager, Bart Lorenzo, we have moved the management part of the system to a materials resource planning system. While some pain was felt early in

the transition, as he tuned his system, we began to enjoy improved inventory turns and reduced inventory levels.

USB: How often are you incorporating new materials into inventory? How has sustainability impacted your product line up and internal operations?

SS: Our product mix continues to evolve based on changing regulations and the movement toward green products. While these technology are gaining interest, [but] the approval processes slows adoption to some extent. We are confident that more and more approvals will be forthcoming, and our product lineup will continue to change with the times.

USB: Can you better define green products? Is cost a point of concern?

SS: Typically, green products are a push from the government and a consortium of manufacturers in general.

They are looking for products that are biodegradable, lower in toxicity and come from renewable resources. We are now looking at technologies where we can reduce or reuse material and are taking a closer look at some of reclamation equipment. With the increase in oil prices, the sol-

vent recovery systems are being considered – anything to avoid waste and reuse of the waste stream.

The costs of some of these products – especially those that are resin-based – are initially higher. However, as approvals come down from the top and as they are used in higher quantities, the prices become more stable.

USB: Describe your sales approach.

SS: At EWK, we rely first and foremost on the technical expertise and relationships developed by our sales force. With 50-plus years in the industry, the EWK brand is recognized throughout our territory and provides the sales force with an entry into new accounts.

We have developed and continue to improve our Web site and overall online presence. Our Web site has become an excellent source of information on the products we sell. We continue to expand our marketing campaigns, appearing in magazine ads and print and Internet directories, ensuring our customers and potential suppliers continue to think of EWK first for all their raw material and equipment needs. **USB**