

Old firm sees new demand after hurricane

Post-Sandy rebuilding projects spark sales for 75-year-old Steel Electric Products

BY BILL GLOVIN

Deep inside buildings like 1 World Trade Center, power flows to every floor through electrical wires threaded through giant conduit pipes, connected by zinc-plated cable fittings.

By selling unglamorous, hidden necessities such as these conduits and connectors, Howard Feldsher, 67, generates sales in the \$22 million to \$30 million range at Steel Electric Products, or SEPCO. The profitable Brooklyn-based manufacturer sells its wares to distributors for use by electrical contractors. Besides the World Trade Center, its fittings have been used at projects such as the Hudson rail yards. Recently, the rebuilding projects that followed Hurricane Sandy have increased the demand for SEPCO's fittings, and the company reports that sales of these items are on the uptick.

"Lately, we're ordering two to

three times the usual number," said Mr. Feldsher, who explains that 80% to 90% of all fittings are made in China and India.

Founded as a stamping operation in a small garage on 19th Street in Brooklyn in 1938 and incorporated in 1952, SEPCO eventually expanded from creating products like straps that held pipes to the wall into fittings. Phil Reddock, Mr. Feldsher's new father-in-law in 1976, invited him to learn the business. Today, Mr. Feldsher's son, Ross, 30, is the fourth generation to work in the business, which celebrated its 75th year in January. Ross started helping out in the warehouse part-time in the summer when he was 12.

As president of the firm, Mr. Feldsher has been forced to outmaneuver challenges like the slowdown in the construction industry during the recession. Growing the tiny firm has often meant going head-to-

head with giant competitors, including four New York Stock Exchange companies, to win business.

To that end, Mr. Feldsher has tried to pass along an "old-school, hug-over-handshake" approach to Ross, who is vice president of operations of the 13-employee firm. "By the way, have you heard the one about the priest, minister and rabbi who walk into a bar?" he began during a recent tour for a visitor.

Mr. Feldsher also makes an aggressive, ongoing effort to keep the supplies customers need in stock—something rivals don't always do. "Since the banking crisis, the big boys tend to operate with fewer employees and inventory, which gives us a leg up," he said.

He also tries to turn the company's small size to its advantage by pulling out all the stops to offer same-day deliveries. "Our policy is we have no policy," said Mr. Feldsher. "Any employee, including Ross and myself, may be asked to do any task at any given time. Smallness allows for flexibility, nimbleness."

Ross, who earned a bachelor's degree in marketing from Baruch College, has modernized the firm's computer operations and marketing efforts, and upgraded SEPCO's bible: a recently redesigned 145-page color-coded catalog, which contains a listing of about 2,000 items it sells

\$12B

2012 REVENUE for wiring device manufacturing industry (including electrical conduits and conduit fittings)

-3.7%

SHRINKAGE OF INDUSTRY from 2007 to 2012

+2.7%

PROJECTED GROWTH of industry from 2012 to 2017
Source: IBISWorld



FAMILY AFFAIR: Howard Feldsher runs Steel Electric with his son, Ross.

in 10 categories. The old one was black and white.

The company has recently expanded into new products. In addition to SEPCO's offices, located under a subway trestle on the edge of the Bay Ridge section of Brooklyn at 121 New Utrecht Ave., the company has 30,000 square feet of immaculately clean warehouse space. On a walk-through, the Feldshers showed off SEPCO's recent six-figure investment: moguls, which are specialized fittings needed to run heavy-duty wiring through buildings.

Branching out has not been a small undertaking. The moguls (some weighing as much as 70

pounds) need approval by the Underwriters Laboratory, a safety consulting and certification firm, according to federal guidelines, but they also have to meet separate standards set by the New York City Department of Transportation. SEPCO expects to supply a considerable number needed to complete Manhattan's Second Avenue Subway line.

"There's a high demand for this one product," said Ross. "We saw an opportunity." ■

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