2009 Corporate Profile





E. W. Kaufmann Company

140 Wharton Road Bristol, PA 19007 Ph: 800-635-5358/ Fx: 215-364-4397 www.ewkaufmann.com

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THANK YOU

E.W. Kaufmann Company wishes to thank YOU, our customers and principals for their continued patronage. From our modest beginnings in 1956, your continued support has given us the opportunity to succeed.



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Executive Summary

CORPORATE OVERVIEW

E.W. Kaufmann Company (EWK) is a Specialty Chemical Distributor focused on supporting our customers. From our beginnings in 1956, we have grown and diversified expanding both our product mix and territory.

For the past 50+ years, we have been recognized as a respected leader in Specialty Chemical Distribution. This has secured us a recurring spot in Purchasing Magazines Top 100 Chemical Distributors List.



EWK has built a reputation for excellence in our industry. No one works harder to earn your business, or does more to keep it.

Our experienced Technical Sales Staff are always available to offer the latest technologies from our broad supplier base. Customer Service will insure your orders are filled and your deliveries are met.

Our company operates from our headquarters in Bristol, PA. The state of the art facility was completed in June 2008. The warehouse features 50% more storage space than our previous location. We are proud to be located just minutes away

from major highways, including 195, and PA and NJ Turnpikes.

MISSION STATEMENT

"The Objective of the E.W. Kaufmann Co. is to be your primary source of specialty chemicals, raw materials, and process equipment"

KEY INFORMATION

E.W. Kaufmann Company 140 Wharton Road Bristol, PA 19007

DUNS Number Company Type Year of Founding State of Incorporation 069029254 Private

1956 (Incorporated 1977)

PA

KEY NUMBERS

Sales (mil.) Total Employees (Available at Management Discretion) 21

KEY PEOPLE

Brian O'Connor Robin Connor Tom Rudeau Stephen (Steve) Schmidt President Controller VP Chemical Sales VP Equipment Sales



Corporate Details

HISTORY

E. W. Kaufmann Co. began operations in 1956 as a manufacturer's representative. Over time the founder, Emerson (Stretch) Kaufmann, added salesmen and became a distributor. The company now acts as sales agent and distributor to its manufacturers. The Company was sold to members of its sales staff in 1977. They formed DNT Corporation, d/b/a E. W. Kaufmann Company. To this day DNT remains employee owned.

New management quickly expanded the targeted geographic region from its base in Maryland and Pennsylvania to its current range along the Northeastern United States. E.W. Kaufmann Company continues to expand both its product base and sales staff.

INDUSTRY

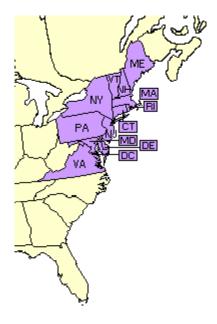
E.W. Kaufmann Company began its business as a supplier to the coatings market. While remaining a formidable presence in that market, the company has branched out into several other industries. These include:

ADHESIVES
CAULKS & SEALANTS
CERAMIC
COATINGS
CONCRETE
CONSTRUCTION
FOODS
INKS

INSTITUTIONAL & INDUSTRIAL LUBRICANTS
METAL WORKING
PAPER
PERSONAL CARE
PHARMACEUTICAL
POLYMER GENERATION
RUBBER & PLASTIC

TERRITORY

E.W. Kaufmann Company services the North East in an area extending from Virginia to Maine.





PRODUCTS

Raw Material

- Resins: epoxy\epoxy curing agents, melamine, acrylic, alkyds, latex, polyamide ink resins, urethane, polyester
- Rheology modifiers: Treated and untreated fumed silica, associative thickeners, cellulosic thickeners
- Additives: wetting agents, dispersants, defoamers, corrosion inhibitors, flame retardants, metallic driers
- Pigments: TiO2, iron oxide, aluminum (silver appearance), zinc oxide
- <u>Inert Extenders:</u> Calcium carbonate, talc, mica wallastonite, clay, ground silica, Fillite (cenospheres), Minex, aluminum trihydrate (ATH), barium sulfate, zinc oxide
- Process aids: Castor derivatives, plasticizers, chlorinated paraffins
- Oils: Castor and derivatives, lecithin

Equipment

- <u>Mixers:</u> single shaft, multi-shaft, high speed dispersers, low speed agitators, propeller mixers, laboratory mixers...
- <u>Tanks:</u> Storage Tanks, process tanks, reactors,... Just specify your operating temperature pressure and material of construction.
- <u>Sieving and Staining Equipment:</u> Inline strainers and vibratory screens will insure your product is free from oversize.
- <u>Dispensing Equipment:</u> Helping you meter and blend up to 96 products.
- <u>Cleaning Equipment:</u> Tank, tote, and drum cleaning systems for cleaning only inside OR inside and outside of the vessel. Parts cleaning systems capable of meeting your cleaning needs. Systems can be built to meet cGMP requirements.
- <u>Solvent Recovery:</u> Batch systems starting at several gallon capacity through large continuous systems capable of hundreds gpm. Systems can be supplied for Nitrocellulose containing products as well as water recovery.
- and MUCH more: Dispersion Blades, Grinding Media, etc...



MANUFACTURERS/PRINCIPALS

E.W. Kaufmann Company prides ourselves on the Company we keep. We represent the "BEST in the INDUSTRY" partnering with the best known and well respected manufacturers in the industry. Our alliances are strong and long lasting, some of which date back to the early days of the company. As our contracts are exclusive, our future is closely tied to our suppliers and theirs to us. We work hard to promote the open flow of ideas and information to best serve our alliance.

Below is a listing of our current manufacturers:

Burgess Pigment company

Burgess Pigment Company is a leading provider of functional anhydrous and hydrous aluminum silicates specifically designed to contribute key properties to your final product.

Servicing specialty coating, plastics, rubber, and cementitious markets for over 60 years, Burgess Pigment Company understands customer performance requirements, and delivers specialized kaolins that provide function and value to formulators.



Cognis is a worldwide supplier of innovative specialty chemicals and nutritional ingredients, with a particular focus on the areas of wellness and sustainability. The company operates production sites and service centers in almost 30 countries.

The Functional Products Group combines ecological soundness with high performance sustainability and performance are the principal demands being voiced by industry, legislatures and consumer markets alike. With its broad chemical and surface technology expertise, Cognis delivers specific solutions that are consistently aligned to ecological compatibility, application reliability, consumer safety and the achievement of a superior performance profile. With its formulation and application knowhow, Cognis is able to provide impetus for new concepts in a wide variety of industrial markets.

Cognis supplies the Polymers, Coatings & Inks Market with additives, binders and hardeners for many kinds of coatings, printing inks, adhesives and polymerization products.



DisperseTech offers a broad line of high speed dispersion blades in sizes and styles to meet your dispersion needs. Stainless steel blades are our standard, however if the application dictates we can heat treat or plasma coat the blades for long life and abrasion resistance. We maintain a large inventory for quick shipment. Blades are bored to fit your dispersers. These blades have been supplied to the paint, inks, coatings, adhesives, ceramic, rubber and chemical industries for the last 40 years.

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Disti was founded 1982 and offers more than 20 years experience in; solvent recovery, container and part cleaning systems, and color dispensing for gravimetric dispensing equipment.



Franklin owns and operates eight mineral mining and processing locations across the southeastern and southwestern U.S. supplying hundreds of quality products to thousands of customers in more than 20 major industrial and agricultural markets. Principally known as a major producer of chemical grade high-purity limestone, other minerals produced at one or more locations include alumina trihydrate and crushed stone. Franklin products are readily available in bulk, semi-bulk and bagged quantities.



Horsehead is the largest zinc producer in the United States and the leading manufacturer of value-added zinc products including zinc oxide and zinc powder. Leading the industry as an integrated producer as well as the world's largest producer of zinc from recycled sources, Horsehead's electrothermic smelting facility, the only one of its type in the Western Hemisphere, provides unique capabilities allowing it to utilize the most diverse range of zinc-bearing feed materials.



Huntsman Pigments is a leading global producer of titanium dioxide pigments. The TIOXIDE® brand name is recognized all over the world. They employ around 2000 people world-wide, and have factories in eight countries with a combined total capacity of approxinately 550,000 tonnes a year.

Titanium dioxide pigments provide whiteness and opacity to a vast range of everyday products from coatings and plastics, to inks and even cosmetics and food.



Industria Chimica Subalpina founded in 1945 and initially due to produce Litopone, at that time the most important white pigment used to make paints, was purchased by the Chemical Group Dalton in 1987 and later re-named Iciesse S.p.a. Following major upgrading of both the plant's equipment and range of products. Under Iciesse trade-mark it produces Blanc Fix (Precipitated Barium Sulphate), Sodium Sulphide and Zinc Phosphate.

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IMI FABI Talc Company is a leading talc manufacturer with mining and milling locations around the world. These capabilities allow their customers access to our performance talc grades from regional manufacturing sites

Headquartered in Postalesio, Italy, IMI FABI talc has been growing over the years to reach an international dimension, having operations in Europe, North America, and in Asia.

Because every facility is equipped with the same milling and micronizing processes; IMI FABI Talc Company can offer their customers a unique service; providing a wide range of products, consistently supplied through our regional manufacturing sites and available at local lead times.

INEOS Chlor

INEOS Chlor is one of the major chlor-alkali producers in Europe, a global leader in chlorine derivatives. They aim to meet their customers' needs day in, day out, with a high quality manufacturing and supply chain operation that ensures the products the customer needs are delivered on time, in full, every time.

INEOS Melamines

INEOS Melamines' roots go back to Melamine resin production facilities founded at the Cassella site in Frankfurt, Germany in 1935 and at the Monsanto site in Springfield, USA in 1946.

With their Melamine resins for coating, technical and specialty applications INEOS Melamines is one of the leading players in the relevant markets for their products.

Even though they have been involved in Melamine resin chemistry for more than 75 years, INEOS Melamines sees substantial scope for innovation, product development, and applications science to meet the changing requirements of their customers and the markets they serve.



Invotec is a manufacturer of functional pigments. Their product line includes corrosion inhibitors as well as stain and tannin blockers.



Ivanhoe Industries, Inc. is a leading manufacturer of antifoams, silicone fluids & emulsions, glycerol & polyglycerol esters, surfactants and specialty chemicals. Ivanhoe is an ISO 9001:2000 compliant manufacturer and Kosher products are made under the supervision of the Chicago Rabbinical Council. Food grade & nonfood grade products are manufactured.





Kumho P&B Chemicals Inc. (_KPB_), the nation's first phenol and acetone producer, has achieved a vertically integrated structure in manufacturing petrochemical products ranging from phenol/acetone to BPA, MIBK, and epoxy resins. KPB has contributed to the growth of the local petrochemical industry with state-of-the-art technologies.



MixMor continues to be a leading manufacturer of high quality mixers with more than 50 years experience, offering a complete line of mixers including Laboratory, Portable Clamp-on, Fixed Mount Top Entering, Side Entering and Turbine Mixers. MixMor has the technology and mixer to meet your process requirements.



Since 1968 MM Industries have been a leading manufacturer of the highest quality sieves, straining and filtration equipment and systems for many industries including: food, pharmaceutical, paints & coatings, ink and powder metals. Their lab, pilot and production scale equipment is utilized worldwide to process many quality wet & dry products.



Myers Engineering is a world leader in the design and manufacture of mixing and dispersing equipment. With over sixty years of engineering innovation, technology and experience, Myers produces some of the most effective mixing equipment in the world. Our high speed, high shear mixing and dispersing units are used in primary industries such as: paint, ink, adhesive and sealants, rubber, electronic and other composite materials, food, personal products, and many more.



NiCHEM manufactures Quality chemicals since 1894. Their product mix includes p-TSA or DDBSA based Acid Catalysts both blocked and not blocked as well as Chromates (Calcium Chromate, Basic Zinc Chromate, Barium Chromate, Magnesium Chromate, Strontium Chromate, Zinc Chromate) and a unique chrome free Strontium Phosphate Anticorrosive.





From the beginning Omya has been worldwide leaders in calcium carbonate through their innovations in manufacturing technology, product development and application expertise of natural ground calcium carbonate (GCC). This innovative leadership, combined with incomparable service form the foundation for the unwavering Omya commitment to total customer satisfaction.



PolyAziridine LLC is dedicated to the aziridine cross-linker market and to be the repository of this technology. They were founded because this very important area of technology and the existing users were ignored. PolyAziridine pledges to address this by offering not just a complete line of polyfunctional aziridine cross-linkers but also to provide the technical support so important to their successful use.



Reichhold is the world's largest supplier of unsaturated polyester resins for composites and a leading supplier of coating resins for a wide variety of markets and applications. Reichhold has 18 manufacturing sites in 11 countries, including two tolling sites, throughout the Americas, the Middle East and Europe.

Founded in 1927, Reichhold celebrated 80 years in business in 2007. With its world headquarters and technology center in Research Triangle Park, North Carolina, USA, Reichhold has the widest global reach of any resin supplier today.



State Industries Ltd. has been a pioneer in cast polyurethane systems since 1969. The development of our precision mixer "StateMix" was motivated by a need for a reliable polyurethane metering and mixing machine. By using state-of-the-art computer and instrumentation technology, materials are accurately metered and thoroughly blended, consistently producing a quality elastomer.





Toyal America, Inc. is part of the Toyal Group of companies, a global leader in the manufacturing of aluminum powders and advanced aluminum pigments for application in the automotive and industrial/protective coating markets.



Founded in 1970 Trelleborg Fillite Ltd is the world's largest producer of Cenospheres (Microspheres). Extracted from the pulverised fuel ash of coal- fired power stations cenospheres are hollow alumino-silicate microspheres.

Fillite cenospheres range from 5-500 microns. A variety of standard grades are available with very accurate particle size top cuts and distribution ranges. Fillite is also able to tailor-make products to customer needs using its state-of-the-art screening and classification process. Product density is measured on-line, enabling products to be manufactured to consistent and narrow density ranges as well as particle size.



Where others see rocks, Unimin sees solutions. Solutions to meet the many production and product development challenges our customers face every day.

From these ores Unimin produce the highest quality and consistently uniform silica sands, nepheline syenite, feldspars, olivine, microcrystalline silicas, ball clays and kaolins, dolomite, talc, calcium carbonate, magnetite, barite, bentonite clays and high purity quartz.



Throughout the world, Vertellus is recognized as the leading innovator in natural-based castor oil chemistry and citrate esters, providing performance solutions for a wide range of demanding applications for an ever-changing marketplace. From natural polyols to performance-enhancing additives, Vertellus products deliver consistent, reliable, and cost-effective results. These products function as plasticizers, binders, reactive diluents, performance polyols, and intermediates in a broad range of applications.

Werner G. Smith

Werner G. Smith, Inc. manufacturers fatty oils and synthetic esters and processes vegetable oils and fish oils, blown oils and non ionic emulsifiers.



Westdry

Westdry supplies wide range of driers for use in both paint and ink formulations.



YilLong produces the Celocell HPMC line of multifunctional additive for ready-mixes and dry-mix products. The water retention properties of cellulose additives increase open time and impart workability, lubricity, shrink and crack resistance, void reduction, and adhesion. In dry mix systems, Celocell HPMC products ensure fast hydration for reliable performance. Their Celocell HEC products are multifunctional additive for paints and coatings. Celocell HEC are used as water retention agent, rheology modifier, viscosity modifier and high efficient nonionic thickener.



Yuen Liang manufactures a variety of hydrocarbon resins for use in the paint and printing ink industries.

(Descriptions excerpted from the manufacturers websites)



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Facility Information



Our company operates from our headquarters in Bristol, PA. The state of the art facility was completed in June 2008. With office and warehouse under the same roof, we are able to quickly and accurately ship your products.

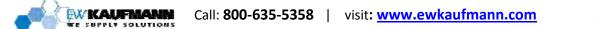
The warehouse is lot controlled, helping us to turn your products and maintain FIFO warehousing practices. The entire warehouse is temperature controlled to insure product quality.





A separate Drum storage room has been constructed and fitted with in-rack sprinkler heads and a 1000 gallon foam tank to handle our wide product mix. The entire area is ramped and curbed for containment of sprinkler discharge. A 100 hp fire pump insures that adequate pressure is always available in case of emergency. All aspects of the fire system are fully monitored including water flow temperature valve tamper, and pump operation. Access Control separates Office and truckers entry from the warehouse, insuring safety for both the public and your products.

We are proud to be located just minutes away from major highways, including I95, and PA and NJ Turnpikes.





Officers and Employees

CORPORATE OFFICERS

Brian O'Connor Robin Connor Tom Rudeau Stephen (Steve) Schmidt Bart Lorenzo

BOARD MEMBERS

Brian O'Connor Robin Connor Tom Rudeau Stephen (Steve) Schmidt

SALES PROFESSIONALS

Brian O'Connor Tom Rudeau Stephen (Steve) Schmidt Jim Goldsmith **Daniel McManus** Mark Rysak R. Dana Sherman Ron Warren

CUSTOMER SERVICE

Grace Debaufre Carol Hiller Cathy Kroliczak Janis Lichtenstein Patti Paul Pat Peterson Cindy Ulfik Judy Waenke Sally Widemeier

SHIPPING & RECEIVING

Jim Drabb

President Controller **VP Chemical Sales VP Equipment Sales** General Manager

President Controller **VP Chemical Sales VP Equipment Sales**

President **VP Chemical Sales VP Equipment Sales**



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Biographies

MANAGEMENT

Robin Connor Controller

Robin came to the E.W. Kaufmann Company in 1992 with 14 years of banking experience, which included 7 years with the Federal Reserve Bank of Philadelphia as a bank examiner. Her responsibilities with the company include managing the financial side of the business including the preparation of financial statements, budgets and managing non-chemical vendor relations. Her education includes a BSBA from Shippensburg University and a Master's Degree in Finance from Temple University.

Bart Lorenzo General Manager

Bart Lorenzo comes to E.W. Kaufmann Company with 31 years experience in the Paint Industry. He was employed by M. A. Bruder and Sons, Inc. in Philadelphia, Pa. He was responsible for buying Raw Materials and Inventory Management for 3 manufacturing sites. His responsibilities at E. W. Kaufmann include Purchasing oversight and Sales Liaison between Principals and the E. W. Kaufmann Sales Team. He holds a degree from St Joseph's University.

Brian O'Connor President

Brian O'Connor was previously with McCloskey/McWhorter for 25 years during which time he served in the capacities of Laboratory Manager, Plant Manager and as a Sales Representative in the Midwest area and more recently in the New England and New York Metropolitan areas. Brian has a degree in chemistry and an extensive background on uses and application of water and solvent based resins. He has been with the E. W. Kaufmann Company since 1995.

Tom Rudeau Vice President Regional Sales Manager

Thomas started his business career with Rudeau Industrial Sales. When the Rudeau Company was sold to Lenape Chemicals, he became a Sales Representative for Lenape. Thomas joined the E. W. Kaufmann Company in 1996. His territory includes Northeastern Pennsylvania, Northern New Jersey, the Bronx, upstate New York, Connecticut and Western Massachusetts. His background includes Technical sales of raw materials to the Coatings, Inks, Adhesives and Plastics Industry. Thomas does bring to our organization new product knowledge and the expansion of our customer base.



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Stephen Schmidt Vice President Equipment Sales

Steve joined the E. W. Kaufmann Company in 1986 after a brief term of employment with Villanova University. He was promoted to Vice President in 1997. Steve is responsible for the equipment sales effort at E.W. Kaufmann Company including sales of coatings and rubber/plastic Dispersion Equipment, Sieving Equipment, and plant and tank design. He is an officer of the Philadelphia Chapter of the Federation of Societies for Coatings Technology (FSCT) as well as a member of the Philadelphia Rubber Group. Steve is a Graduate of Villanova University and holds a Bachelor of Science in Chemical Engineering.



SALES

Jim Goldsmith

Jim has over 25 years experience in sales and marketing in the chemical industry. Jim has a BS in Chemistry and an MBA in Marketing. His last position was with the S. P. Morell & Company organization selling into the Coatings Metal Working, Adhesive and Ink industries. Previously, he was Director of Marketing for Wilmington Chemical where he specialized in marketing and sales of water-based polyurethanes. He wrote scientific articles for trade journals (Adhesive Age) and developed technical brochures, product press releases and direct mail campaigns. He gave technical talks at the Philadelphia PSCT Technical Conference, Clemson University and Adhesive Council in Atlanta, Georgia. For the 15 years prior, he held marketing and sales positions with Hydro Labs, Chemical Processing of Georgia and Ciba. He has been with the E. W. Kaufmann Company since 1995.

Dan McManus

Dan McManus was previously with Finnaren and Haley Paint Co. for 30 years, where he last served as Director of Manufacturing and Industrial Sales Manager. Dan has a BS in Marketing from Saint Joseph's University and has a wealth of experience covering a broad spectrum of uses and applications, including Acrylic, Alkyd, Urethane, and Epoxy system technologies.

Mark Rysak

Mark has a BS in Chemistry from Philadelphia University. His technical background includes manufacture of alkyd resins, research and technical service on UV, plastisol, flexo, offset inks and coatings. His sales background includes selling industrial chemical packaging to the pharmaceutical, cosmetic, medical and specialty chemicals industries. He is responsible for the New Jersey and New York metropolitan areas.

R. Dana Sherman Dana has been in the chemical raw material business for over 12 years. He began his career with D. N. Lukens in Westboro, Massachusetts selling to the paint and coatings industries. He continued as sales representative with A. B. Kohl Sales in Towson, Maryland covering the Mid-Atlantic region selling to the paint and coatings, plastics and rubber industries. He has experience in color, functional and extender pigments in addition to specialty additives. Dana joined E. W. Kaufmann in 2005 and is responsible for the Maryland, Virginia and West Virginia territory.

Ron Warren

Ron attended the University of Massachusetts and studied chemistry. He began his career in 1990 at ICI Resins US (now DSM NeoResins) in Wilmington, MA. He formulated water and solvent based polymers in the Applications laboratory for the Industrial and Architectural coatings markets. Afterwards he represented D.N. Lukens in Massachusetts as a sales representative selling raw materials used in the manufacture of coatings, inks and plastics. Ron is a past President of the New England Chapter of the Federation of Societies for Coatings Technology. He is responsible for the New England territory for E.W. Kaufmann Company.



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Other Resources

PRINT

Brochures:

- A Company YOU Rely On
- Raw Materials YOU Use
- Products for a GREENER Tomorrow
- Equipment YOU Need
- 2009 Equipment Catalog

WEB

Visit us at: www.ewkaufmann.com



E.W. Kaufmann Co.



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

pecialty 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 circumstances 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.

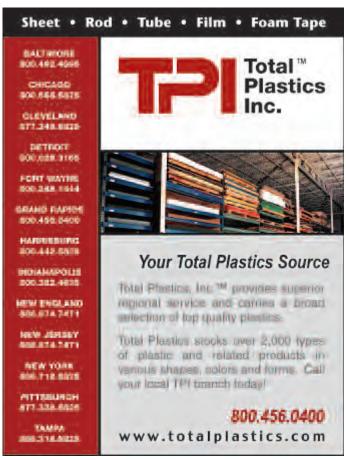
Equipment fills a much smaller but still important role in our company, allowing us to recommend both physical (manufacturing) as well as chemical solutions to our customers problems.

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





E.W. Kaufmann Co.

E.W. Kaufmann Co. says its lotcontrol 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.

USBR: 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.

USBR: 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. **USBR:** 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.

USBR: 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.

USBR: 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.

USBR: 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.