



millwork

For ease of installation and to ensure the best possible quality, Rimi Woodcraft Corp. fabricated this entire staircase — from steps to handrail — in its shop.



Growth requires creative action

This millwork company achieved growth in 2003 by rethinking its business and expanding into a new market.

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Growth in 2003 was no accident for millwork manufacturer Rimi Woodcraft Corp., Bronx N.Y. The company took risks, capitalized on new opportunities and adapted to a marketplace where the status quo no longer suffices.

Before Sept. 11, 2001, Rimi Woodcraft had all the business it could handle. "There was plenty of work around," says Anthony Rizzo, president and CEO. "There were more customers than there were resources for those customers."

The market changed after the terrorist attacks. Margins shrunk, overhead shot up and business became sporadic. "There are periods that get busy and you see there's work out there, and all of a sudden it dries up and everyone's looking for it," Rizzo says. There also was an

influx of competitors from Canada and the South who came to New York because they thought work would be plentiful. "That's not really so," he says.

To cover burgeoning costs, Rimi had to increase its volume. "In order to do more work, we've become more aggressive on our sales end," Rizzo says. The company didn't add employees, but it did step up marketing efforts. Because of tight margins for both manufacturers and contractors, the company's reputation didn't carry as much weight as it once did. "Years ago, people would come to us more than they do now," he says. "Now you've got to market to everyone. You've got to go to the architects, contractors, end users."

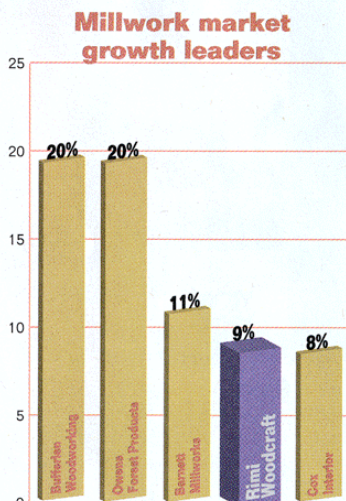
Become more visible

The company meets with architects and end users to sell its expertise and services. If the pitch works, potential customers will recommend Rimi to a contractor. Even then, the company could be one of several vying for the job.

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Once a high-end custom commer-

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Rimi Woodcraft experienced an increase in sales of 9.1 percent from 2002 to 2003 in the millwork market.

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cial manufacturer exclusively, Rimi gradually took on high-end custom residential projects. Their availability has less to do with a booming housing market than it does with customers anxious to complete their high-end projects. "It's driven in part by customers wanting the very best in their homes, and we strive to meet that need," Rizzo says. "We're not the cheapest. We feel we do the best quality. I think people recognize that in the industry." Today Rimi's work is evenly split between commercial and residential projects.

Rizzo says millwork remains a very tough market. "You have to pick your spots," he says. "It's still very competitive." His solution is to have product managers attack each job and decide the best way to proceed, with increased

manufacturing efficiency as the goal. "We're learning to attack every project and manufacture for profit," Rizzo says.

Expansion isn't in Rimi's plans. "New York is a tough market," Rizzo says. "We have one of the highest labor rates in the country. That holds us back; that gives us a little bit of a problem." The company does, howev-

er, rely on help from two affiliates: Veneer Products Limited, which supplies veneer, and ADF Designs, which does Rimi's laminate work.

The changes have paid off. 2003 sales increased 9.1 percent to \$24 million, and Rizzo expects the company to match and perhaps exceed that total in 2004. ▲



Rimi Woodcraft built the doors, which feature individual glass panels, for the 15 private dining rooms of an insurance company in Manhattan.