Space for solutions



Family-owned firm helps clients to find best ways to organize and store materials

KRAFTWERKS

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Kraftwerks designs and installs space and storage systems that enhance products and productivity. Bill Kraft Sr. and his sister, Ann Marie Kraft-Ziske, show off a storage system created for Mac's Antique Auto Parts in Lockport.

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The success of any workplace often depends on organization. The better the organization, the better the efficiency. The better the efficiency, the better the bottom line.

But not everyone is blessed with organizational skills. That's where Kraftwerks comes in. The Tonawanda-based company markets itself as a provider of solutions, aiming to improve processes and productivity in the workplace by creating better work space. The result – better room.

"We're interested in figuring out the best way to organize and store materials while keeping in mind the processes," Kraftwerks vice president Ann Marie Kraft-Ziske said. "We want to improve (efficiency) 30 percent to 70 percent for any project."

Kraftwerks is a family-owned and operated business whose roots go back to storage and materials handling equipment. It now gets involved with all kinds of general organization projects through Western New York and bevond. One primary tip-off that a company needs help? Temporary storage facilities lined up outside the office or warehouse.

"That's when we know we can do something," Kraftwerks CEO and sales leader Bill Kraft Jr. said. "That's a clue for us to call

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STRATEGIES

ORGANIZE: First listen to the clients, then create workable solutions for them

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them."

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What's going on: Improving efficiency through organization is a multi-step process. Kraftwerks personnel spend time listening to customers voice their needs and then they set out to create and design solutions that incorporate items such as racks, shelves, work stations, cranes, conveyor belts and crane services. The plan is presented to customers, along with multiple price points. With an agreement in place, Kraftwerks then installs the materials. Project time varies, from as little as two weeks to as long as four years.

Costs: Price depends on the project, but it ranges from \$10,000 to \$750,000, Kraft said.

Who's who: Kraft and Kraft-Ziske are siblings. They are joined by brothers Mike, secretary and treasurer of the company who heads up academic projects, and Paul, who handles specialty fabrication and engineering. Parents and co-founders Patricia and Bill Kraft Sr. are not involved in day-to-day operations, but still own part of the business.

History: Kraftwerks became a company in 1991, but ideas existed a year earlier to form the business. Kraft-Ziske and her mother, Patricia, devised a business plan in the summer of 1990. At the time, Patricia Kraft, her husband and two of her sons worked for a Rochester-based storage and material handling company. All four resigned in 1991 to pursue the formation of Kraftwerks. A few days later, they set up shop in a 3,000-square-foot building on Kenmore

Avenue. Savings and retirement accounts were liquidated to support the start-up business. The family made cold calls to potential clients, quickly making contacts and building relationships. In 1994, they purchased their current building on Cooper Avenue and designed both twostory office and single-story work space there. They currently lease half of the building to longtime tenant Gibraltar Chimney International.

Clients: Kraftwerks does work for several industries, including manufacturers, schools and universities, laboratories, warehouse and distribution companies and pharmaceutical businesses. In addition to Western New York, it conducts projects in Pennsylvania, Ohio, Michigan, Canada and Mexico. So-called "regular" clients total 500, Kraft said.

"Just about any of the top 20 (private or public) companies are our clients," he said.

Employees: 20, most of whom are full-time. The company's staff is a mix of computer-aided design technicians, project installers, sales personnel and project estimators.

Revenue: \$6 million for 2009.

Strategy for growth: In the mid-2000s, company leadership made sweeping changes to product and vendor lists in order to



Ann Marie Kraft-Ziske shows off a storage system designed by Kraftwerks. The company was established by the Kraft family in 1991.

increase efficiency in their own workplace and the workplaces in which they try to improve, Kraft-Ziske said. They reviewed each product to determine whether the product made sense in terms of its effectiveness. Did the product come without hardware? Did the product arrive damaged

Timely lesson:

A matching game: Align

yourself with customers and their needs, Ann Marie Kraft-Ziske said. "We have to listen to our customers and understand their goals. It's about matching solutions to what the customer wants."

from the manufacturer? If so, it got the ax. At the end of the review, Kraftwerks cut 75 percent of its vendor list and stuck with the remaining 25 percent, based on quality, customer service, delivery and lean operations.

The move resulted in efficiency that travels down the line, from manufacturer to Kraftwerks to client to client growth, Kraft-Ziske said.

What's ahead: Kraftwerks wants to better plug into the area's growing pharmaceutical and biomedical fields. It also envisions working with more distribution companies, which are opening in response to greater importing into the United States. Work for schools and universities peaked in recent years, but it is probably going to slow down due to fewer state budget dollars, Kraft said.

"The question is whether more markets will grow," Kraft-Ziske said.

Internally, the company may soon add physical space to its facility on Cooper Avenue. It has taken on new geographic areas and hired new personnel, plus it believes Buffalo itself could be a growth market.

"We've prepared and modeled ourselves to be able to take on more business and as long as we're doing a good job, I think (expansion) will come," Kraft-Ziske said.

