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Parts shop to the Pentagon *CTG finds its niche*

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From its founding in 1646, Yonkers has seen the gamut of industrial endeavors: carpet center to the world, elevator manufacturer to the world and now high-tech components that are out of this world.

With projected 2008 sales of \$20 million and 40 employees, Crestwood Technology Group, an independent distributor of aerospace and electromechanical parts for the U.S. military, made Entrepreneur magazine's "Hot 100" list of the country's fastest-growing businesses. The company also distributes less glamorous equipment that may have been deemed obsolete, but which is still very much in use, as on the battlefields of Iraq.

Denise Gilchrist founded the company in 2001, starting with a small business plan incorporating family and friends in her Crestwood neighborhood of Yonkers.

Gilchrist, who had an IT background, was "very interested in starting a company and trying something new."

"I never dreamed it would grow to the level that it's grown," Gilchrist said.

Gilchrist outgrew the basement after a couple of months and found herself looking for office and warehouse space.

Still, the new company was "trying to find a little niche."

"Once we got involved in selling to the military, we realized it was a large need that wasn't covered by a lot of the people in our industry," Gilchrist said. "Most of the people in our industry were companies that were selling to commercial consumers."

And then, "it was almost like a light went off."

"We saw this whole military need, which, for whatever reason, people stepped back from and we just kind of embraced it," Gilchrist said. "What we soon realized was there was an enormous amount of paperwork and processes and procedures to set up properly in order to do business. It is a very complex process, and selling to them is different than selling to other customers."

But "we basically have made that our niche, and it's worked well."

CTG doesn't just sell to the military; it also sells to the equipment manufacturers like Boeing and Honeywell that, in turn, supply the military.

"What we soon realized was that

we needed to separate ourselves from the rest of our industry," Gilchrist said. "What people began to notice was that our attention to quality control was way ahead of the curve and far exceeded industry standards. We're the only company in the world that has the quality certifications that we have."

Another thing that came to the forefront of the industry was the prevalence of counterfeit products, which CTG combats with quality control and counterfeit avoidance testing.

"We realized that in defense and aerospace and the military industry that counterfeit parts can lead to malfunctions and loss of lives," Gilchrist said. "We set up Authent-Assure, which is our counterfeit avoidance and authentication

process, to make sure the products we're getting in and selling to the military are indeed authentic parts and equipment."

This detailed testing of a part's "DNA" sets CTG apart from other distributors and has contributed to the company's growth, said Gilchrist.

"In an industry that's flooded with counterfeit parts and uncertainty as to who the good vendors are, our reputation allows our customers to buy with confidence," Gilchrist said. "People know that it's safe to come to us. What they order is what they're going to get, and instead of us always having to go out looking for business, they're knocking on our doors."

CTG has warehouse space in Yonkers and Pleasantville.

Another niche the company serves is hard-to-find parts. According to Gilchrist, some of the equipment on fighter jets, tanks and military combat vehicles is old, and a lot of the parts that went into that equipment aren't being made anymore.

"What we specialize in is finding, procuring and stocking all the obsolete, hard-to-find parts that the military defense and aerospace companies need to maintain their fleets," said Pete Rotolo, a vice president of sales.

Rotolo said he frequently receives e-mails from soldiers in Iraq in need of mission-critical parts. "They know they can come to us," he said. "And if we don't have it, then we will go out and find it."

CTG has an internal database of vendors and suppliers, some of which are little-known "mom and pop shops" that rely on CTG to expose their products to the industry.

CTG, an independent distributor, faces competition from other distributors, franchises such as Arrow Electronics and Future Electronics

Still, "We are the go-to people for a lot of clients," said Mike Boyd, a vice president of sales. "We're on the forefront of everything."

CTG is in the process of "going green"; auditors come in to check the company's recycling, chemical usage, energy usage, or, as Gilchrist put it, "the complicated stuff to the common sense stuff."

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