



*Lenore Schwartz (l)  
and Diane Searles*

Flatbush Lighting had just undergone an expansion when the company was sold and re-established as Total Electrical in 1989. Locations included the company's original store in Brooklyn, a Staten Island lighting and electric location, and its current 12,000-square-foot facility in Staten Island.

The plan called for the Staten Island warehouse to serve as the distribution center for the other two branches, but a crippling strike in 1990 by IBEW Local 3 dealt a blow to the company's progress. Picketers marched outside the facility while the Schwartz family and one driver kept the doors open. By 1992 Total Electrical was in Chapter 11 bankruptcy protection.

"We had to pull back the reins on our growth," said Total's president, Lenore Schwartz. "We gave up the Brooklyn store, closed the lighting showroom, kept the Staten Island location, and eventually worked our way out of bankruptcy."

To aid in recovery, Lenore and sister Wendie, who left the company in 2001, streamlined the operation. Lenore fought for the best deals possible on the purchasing side while Wendy worked to lower the company's administrative costs. Both women worked the counter and handled outside sales.

In 1995 the sisters sought business consulting from Staten Island's Small Business Development Center (SBDC), a branch of the United States Small Business Administration.

Director of the SBDC Martin Schwartz (who is of no relation to the sisters) helped Total create a business plan. He also assisted in securing a line of credit with

# TOTAL'S SUCCESSION=TOTAL SUCCESS

THE OWNERS OF FLATBUSH LIGHTING IN BROOKLYN, N.Y., CHARTED A BOLD COURSE IN THE 1980s WHEN IT WAS TIME FOR SECOND-GENERATION CEO HAROLD SCHWARTZ TO STEP ASIDE AND PASS THE REINS TO HIS DAUGHTERS, WENDIE AND LENORE. THEY CLOSED THE EXISTING COMPANY, SOLD THE ASSETS TO THE NEW OWNERS, AND REOPENED IN A DIFFERENT LOCATION, UNDER A DIFFERENT NAME: TOTAL ELECTRICAL.

STORY & PHOTOS BY MIKE DeFILIPPO

*In addition to her duties as owner, Lenore Schwartz handles purchasing for the company.*



guest speakers to talk on a particular area of interest. "

### New partner, new plans

While assistance from the SBDC is partially responsible for the company's past survival and present success, its future growth is in the hands of partner Diane Searles.

An industry veteran, Searles joined the company in 1998. Her product knowledge makes Total Electric a more proactive company on technical project bids. The combination of Searles's background and Total's status as a woman-owned business positions the company for prime opportunities in large construction and transit projects—which have set-asides for qualifying companies.

Total participated in the rebuilding of two subway lines damaged in the attack of 9/11; the company is also involved in the renovation of the South Street Seaport and recently did all of the gear for the renovation of some historic buildings in Manhattan.

Searles believes the company occupies a niche for technical troubleshooting and sees promising growth opportunities

Chemical Bank (now Chase Manhattan).

The assistance the entrepreneurs received was like a beacon guiding them out of the murky depths of Chapter 11. "[Martin] helps us budget every month and figure out our profit margins, and assists us with human relations issues," Lenore noted.

The SBDC director also involved Total in a mock board of 12 small business owners. The group meets bi-monthly to

discuss business issues and offer real-world solutions to common problems.

"It was wonderful to have this input," said Lenore, who was recently honored by the SBDC by induction into the group's newly formed Hall of Fame. "When the board meets at your office they talk about your company and you serve as chairperson for that session. This year we have changed the format into more of a roundtable discussion group where we invite



*Avery Boyd drives the forklift, Sales Manager Lou Maniscalco checks the order, and James Bourdette unloads.*



## BEST PRACTICES

through the addition of several new product lines. The company recently secured exclusive territories for Arco phase converters and B&L ballasts, and is evaluating its inventory by bolstering traditional electrical commodities with other building materials used by electrical contractors—items like plywood panels and 2x4 studs.

In addition, New York City is noted for having its own electrical code, which overrides the National Electrical Code. That will officially change in 2005, when the New York Electrical Code ceases. In response, the company has made changes to its inventory.

For example, under the New York Code electricians could not use romex or PVC pipe and boxes. Demand for these products has increased, so Total's stocking requirements have changed: "We still have the old-timers who are set in their ways with BX and steel boxes, but the younger electricians are jumping in with romex and PVC boxes, so we must stock both," said Sales Manager Lou Maniscalco.

The company is also comparing the next generation of business systems in preparation for an eventual upgrade. Until then, it is manually evaluating details such as customer profitability and inventory control.

But perhaps most important in all of this—and most unique—is the fact that everything is being done by the hands-on owners of Total Electrical.

The company has cleared every regulatory hurdle regarding its status as a woman-owned and -operated company. "The New York City agencies don't tolerate people who hold 51% of a business but do not work," said Lenore. "We have always been a legitimate woman-owned and -operated company."

"Part of what makes us unique as a woman-owned business is that Lenore and I are so involved," added Searles. "We have a level of enthusiasm and a level of interest in our customers that they recognize. That is what keeps us viable and growing." ■■■

## At-a-glance

- **Number of employees:** 14
- **Sales volume:** \$20 million (\$15 million is in woman-owned business contracts)
- **Locations:** Main house on Staten Island
- **Markets:** 70% to 80% contractor, commercial and residential; 20% to 30% government agency, end-users, and industrial.
- **Affiliations:** NAED, Small Business Development of Staten Island, EDN, Better Business Bureau
- **Awards:** Small Business Development Center Hall of Fame, Kings-highway Board of Trade for Service, Brides to Success Award

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