



Zepsa Industries specializes in high-end architectural millwork and luxury staircases for multimillion dollar residential estates.

CNC HELPS ZEPSA GROW ITS HIGH-END PRESENCE

This North Carolina-based architectural woodwork firm combines high-tech equipment and handcraftsmanship to create innovative residential and commercial settings.

By Hannah Miller

Zepsa Industries holds firm to the concept that highly skilled architectural woodwork still requires old-fashioned handcraftsmanship — combined with technical expertise.

The owners of the \$10 million to \$100 million residential estates and yachts that the Charlotte-based company caters to wouldn't have it any other way.

Located nationwide, they range from a buyer of the former 1800s Woolworth estate near Central Park to the owner of a 285-foot yacht, the largest, company President Eduard Zepa says, to be built in the United States in the last 75 years. Zepa Industries gave the gutted Woolworth mansion near New York's Central Park a complete woodworking package, including paneling, cabinetry, staircases and doors. It is now hard at work on the interiors for the mega-yacht, among other projects.

"We're known for the ability to do highly detailed architectural woodwork, both traditional and contemporary in design," says Zepa.

"Typically, our kind of work is done by a small, studio-type shop," he adds, but with 100 employees, Zepa Industries is anything but small. Backed by its commitment to quality, the company is proving that detailed craftsmanship and high-tech production can lead to increased sales opportunities. Although Zepa Industries' niche continues to be "the celebrity types, the Forbes Richest 400 types," Zepa says, the company is working to grow its presence in the marketplace.

Technology Spurs Growth

That commitment to growth has been the driving force behind a major investment in high technology. With \$12 million to \$15 million in annual sales, the company has enough volume to

justify purchasing equipment for repetitive production processes, thus freeing up skilled labor.

"Over the past 30 years, we have assembled some of the best cabinetmakers, carvers, joiners, staircase builders, engineers, detailers, finishers, machinists and installers in the country," Zepa says. "They like to do the stuff that borders on the artistic and stretches their skill level beyond what they thought they were capable of."

ZEPSA INDUSTRIES INC.

Charlotte, NC

Founded in 1981, Zepa Industries has grown significantly in recent years, to 100 employees. Specializing in architectural millwork, the company also is renown for its elegant staircases and luxury yacht interiors.

Three Keys

1. The company combines handcraftsmanship and high-tech equipment in manufacturing a wide range of products on a just-in-time basis.
2. Zepa's machine and craftsman capabilities enable it to manufacture 99 percent of the product in-house. The company employs three hand carvers, in addition to cabinetmakers, staircase builders, programmers and machinists.
3. Despite the poor economy, Zepa has had no layoffs or reduction in hours. In fact, the company recently added three employees this fall.

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The chance to do the kind of work they like is one reason, Zepa says, that the company is able to attract top employees. "They are difficult to come by."

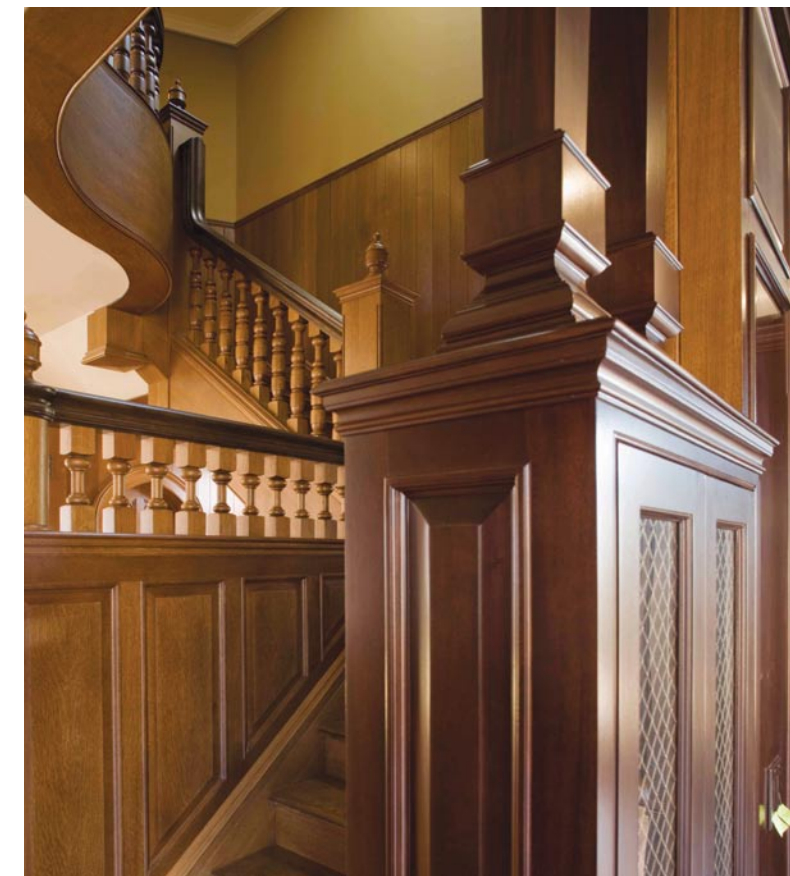
Zepa Industries has three divisions: Architectural Woodwork, Yacht Interiors, and Monumental Staircases — "monumental," Zepa says, "in size, complexity and level of detail."

Fully 99 percent of the product is made in-house, Zepa says, a practice that gives the company a high degree of control over quality. In the case of items such as staircase fittings, it also gives the company more flexibility in the design, says Steve Ballenger, director of Business Development. Zepa can make the staircase configure and flow any way its clients want.

Increased flexibility also has come from an investment in technology, providing capabilities to a company already renown for its handcraftsmanship. Among the recently purchased equipment used at Zepa Industries is a Weinig Rondamat 960 grinder, which the company can use to machine knife heads automatically, as well as face grind solid mill-to-pattern or carbide cutters.

Also aiding in production is a Komo VR 512 Mach IIS single-table CNC router with tool changer and a Schelling FXH 430 CNC cut-to-size panel saw. A Baker ABXX band resaw will slice lumber horizontally, thus enabling Zepa Industries to bookmatch thick pieces like door stiles.

Zepa Industries also has a custom-made Joos 5 x 12 hot press to lay up veneers. For a company whose residential jobs can range up to seven stories, the smaller, standard version would not do, Zepa says.



Zepa combines high technology with handcraftsmanship to manufacture its high-end woodwork.

TRENDSETTER ZEPSA



Zepsa's complete woodworking packages go from land to sea. An example is the pilot room of this mega-yacht.

Quality control is integral throughout every step of the production process, including finishing. To keep the finishing cell's topcoating area dust-free, for example, the company installed a dedicated air makeup system, similar to ones used by the auto industry. And finishes that previously air-dried now go into a customized drying oven. "That allows us to cure the finish — makes it more durable," says Operations Manager Peter Zepsa.

In addition to improving quality and efficiency throughout the

STEPS TO SUCCESS

Eduard Zepsa epitomizes the definition of entrepreneur. Arriving in Charlotte, NC, in 1981 with his wife Maripat and young sons Peter and Brian, he went knocking door to door for residential work.

Although only in his 20s, Ed had experience working at his family's stair shop in Chicago. As word spread and business began building, the small residential woodwork shop started by Ed and Maripat quickly expanded.

Since that time, business has grown significantly. The one-room shop is now a 80,000-square-foot facility, filled with 100 employees. And the multimillion dollar company boasts three main divisions: Architectural Woodwork, Yacht Interiors and Monumental Staircases.

Already successful, Zepsa Industries is looking to expand its niche of "the celebrity types, the Forbes Richest 400 types," as Ed terms it. The company is confident that with the measures already in place for quality, productivity and profitability, it can grow its business to \$20 million in the next 10 years.

Yet through it all, Zepsa Industries remains a family-run business. In addition to Ed, company president, Maripat is vice president and office manager, Peter is the operations manager and Brian works in sales, marketing and estimating. Both sons, says Ed, are being groomed as eventual successors to the business.



Above: among the CNC machines used at Zepsa is a Schelling saw and this Komo router. Left: by slicing horizontally on the Baker resaw, Zepsa can bookmatch thick lumber pieces. Below: Zepsa has the capability to lay up veneers in-house, using a custom Joos hot press.



plant, the computer-driven equipment has enabled the company to increase its speed, enhance its capabilities and better optimize materials, Ed says. And, he adds, "It's physically less demanding. Safety is much higher."

Teams of four to six employees generally stay with a job until it is finished, which can range from three months to three years. Seventy percent of the millwork is for new construction, with 30 percent being elaborate remodels, like a seven-story brownstone in New York City.

Market Outlook

Zepsa Industries' wealthy clientele has been affected by the economic downturn, but not as badly as other market segments, Ed says. The company has had no layoffs nor reductions in employee hours and continues to recruit, having added three employees during the fall.

"We're starting to see some cautious optimism [in the market]," Ed says. "People are peeking out from behind the curtain," he adds, getting ready to build and buy again.

As for Zepsa's goals for company growth, "how many guys we've got in the shop" is not important, Ed says. What counts, he says, is the continued dedication that each employee has in producing the highest quality work in the industry.

And his investment in technology indicates that he is optimistic about the company's ability to grow without sacrificing the cornerstones upon which it is built. With quality and profitability intact, Ed says he would like to see Zepsa Industries become a \$20 million company within the next 10 years. ☞