

HAPPY, POSITIVE, PRODUCTIVE



After 150 years in business and five generations of family ownership,

Rosenwach Tank Co.

remains as vital to New York City as ever

By Lee Lusardi Connor Photography by Mindy Best and courtesy of Rosenwach Tank Co. LLC



Ali Baba needed the phrase "open sesame" to open a door, but Henry Rosenwach only needs his last name. "We have the fortune of being able to go on any rooftop in the city, basically, that we want," says Henry Rosenwach, 27, who represents the fifth generation of his family to run the company that makes New York City's iconic water tanks. "I just say 'Rosenwach.' My father says wearing one of our shirts is like having the key to the city."

Weathered water tanks are a staple of the New York City skyline, having attracted the eyes of residents, visitors and artists alike for 150 years. Notwithstanding their nostalgic appeal, they remain a functional and essential part of modern city life, providing water for the daily needs of millions of city residents and workers.

Of the remaining rooftop water tank companies in the city, Rosenwach Tank is the best known. It is part of Rosenwach Group Inc., a family-owned business with 125 employees and a dense web of connections among those who develop, build and maintain city properties. "As Kleenex is to tissue and Campbell's is to soup, Rosenwach is to water tanks," Henry says. "That's how the city sees it."

When Henry Rosenwach needs to get onto a roof, it's for good reason, such as taking a water sample or checking on an installation in progress. His days are a blur of travel around the city. He might go to the Upper East Side for an inspection, to Midtown West for a safety meeting, and then get a call about an emergency and have to jump on a subway to go downtown.

In doing so, he's taking over many of his father Andrew's former tasks — and preparing to head the business one day. "I always say I'm 'damage control.' It's a lot of running around, but it's a good way for me to meet all the customers," says Henry, who has been with the company full time for about three years. Those customers include owners of the most prestigious addresses, business and residential, in the city (though the Rosenwachs request their clients not be named in print).

"In the beginning, I thought everything was an emergency because I was raw, but now I see that the normal way of the business is run, run, run, do everything in a New York minute and everybody wants everything yesterday," Henry says. "My MetroCard goes swipe, swipe, swipe all day long, and every day is different."

"All the time I was working when you were growing up, my dream was to have enough work for you to be busy," Andrew tells him.

"And you succeeded," says Henry with a laugh.
That success is not a function of luck, but of hard, grinding work — and a family tradition of seeking out and seizing opportunities to reinvent the business.









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Henry Rosenwach

HOW A FAMILY BUSINESS WAS BORN

Rooftop water tanks exist in other municipalities, but New York City's five boroughs have by far the most — perhaps as many as 17,000. The reason: The city's water pipe infrastructure can't provide sufficient pressure to get water above six stories, or about 80 feet. Electric pumps must send water to rooftop tanks, which in turn use gravity to send water down as needed to higher floors. The tanks are also a ready source of water in case of fire.

As the metropolis grew ever skyward in the late 1800s, the city began to require water tanks for the taller buildings. An Irish immigrant named William Dalton jumped into the new industry — a natural







Harris

Fulius

Wallace

extension of his barrel-making business, for reasons that remain valid today. Though water tanks are sometimes made of steel, unpainted wood is a preferred material because of its insulating properties, water-tightness, ease of maintenance and relatively low cost. The method of making wooden water containers, used by coopers for centuries to make barrels and tubs, has changed surprisingly little over the years.

In 1894, a Polish immigrant named Harris Rosenwach, skilled in making wooden tubs, was hired to help in the business. Dalton died shortly thereafter. His widow sold the company to Harris Rosenwach for \$55 in 1896, and a water tank dynasty was born.

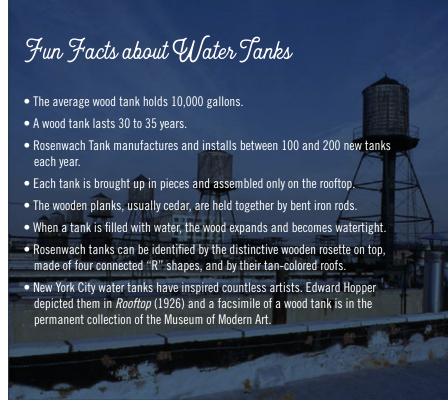
Harris's son Julius, seeking more space to mill and prep the cedar and redwood used for the tanks, moved the company from the Lower East Side to the Williamsburg area of Brooklyn in 1924. In the years since, the company has continued to be passed down from father to son — from Harris to Julius, Julius to Wallace, Wallace to Andrew and, in the future, Andrew to Henry.

NEW BUSINESS HORIZONS

"My grandfather [Julius] catered to tanneries and industrial uses for wood tanks," says Andrew, 63, now the company's leader. "That part of the business has completely fizzled out." Rosenwach Tank, as became its pattern, adapted to the change in conditions. The focus turned to residential and commercial properties throughout the city. (A second site, in Long Island City, Queens, was opened in 1978.)

Julius's son Wallace, an engineer, joined the company after a stint at Douglas Aircraft and service in World War











II. Wallace invented new machinery, much of which is still in use, for cutting wood staves. He also undercut the competition by devising a way to drastically reduce the time it took to install a tank, from several weeks to 10 hours

In 1964, spotting another rooftop opportunity, Wallace created United Tower Maintenance. That subdivision of the company specializes in maintenance and repair of cooling towers, which minimize "waste heat" that is dispersed into the atmosphere.

Wallace also, according to his son, greatly expanded the company's influence, becoming a local legend in New York's booming real estate and construction community. "My father was the Pied Piper of Manhattan," Andrew says.

Rosenwach Tank rode the wave of new construction in the 1960s. By the time Andrew joined Wallace in the company in 1975, however, the city was nearly bankrupt and the market had cratered.

"It was a frightening experience," Andrew remembers. "I recognized how, because we were the emblem and the standard, the competition was all over us, cutting into us in a copycat way which becomes somewhat aggravating."

The Rosenwachs were determined to expand their customer base and thwart their competitors. In 1977, they created Sitecraft Inc., an outdoor furniture division, which leveraged its workers' skill in creating curves from solid wood, and kept the team busy during down cycles

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Andrew Rosenwach

a Philosophy of Leadership and Life

Before Andrew Rosenwach officially joined Rosenwach Tank — in fact, while he was still in college at Johns Hopkins University — he was driven to address what he calls "the basic question of 'who am I?""

That led him to read extensively and study the works of artists and composers. Today, he cites as influences such writers as Faulkner, Twain, Joyce, Pound, Eliot, Yeats, Blake, Henry Adams, Milton and Shakespeare. He has studied the Old and New Testaments as well as sacred Hindu texts. (Insights from his explorations can be found at the website www.andyo.org.)

Not surprisingly, his thinking has influenced his leadership style. "When I work with people, I have to recognize the fact that they are going to give us their best effort and silently, secretly and subtly they will understand that I embrace them," he says. "That is a recognition of our Father. I'm not religious, but the Father is all-giving and all-forgiving. In recognizing that, I can't turn my back on it."

At the company's yearly gathering, Andrew passes around a cup filled with "the liquid of humility" and recites:

Dear Father,
Thank you for affording us
The labor of using our hands
The service of providing water,
The economy of rolling a hoop,
The charity of giving,
The quality of succession.
That is
The common thread that binds us,
The path that directs us,
The love that releases us.
This is how I am to you
This is how we are to each other
And that is the code of the company we keep.

in the tank business. Today, Sitecraft's benches, planters and other products can be seen on prestigious terraces and plazas throughout the country.

As years passed, the company acquired and created business lines strategically to minimize the influence of subcontractors. "I don't like subbing things out because eventually a competitor goes to that same sub and then we're just competing, and the contractor's winning," Andrew says. "You become just a broker."

Accordingly, in 1986, Rosenwach formed AMR Mechanical Inc., which installs and maintains plumbing and water filtration systems. In 1987, the company started up Herbert Rose Inc. That group specializes in work related to Local Law 11, which maintains building facades and roofs.

All of the groups were put under the umbrella of Rosenwach Group in 1995. The subdivisions overlap considerably in terms of equipment and skilled labor, helping to contain costs and keep workers busy.

In 2008, Rosenwach invested in additional machinery to create its CWT (Cool Water Technologies) division. It now has the ability to build cooling towers as well as maintain them.

To keep up with the company's growing footprint, Andrew steadily expanded his own skill set. He got an MBA from the New York University Stern School of Business, and also earned licenses as a master plumber, fire suppression contractor, special rigger and refrigeration operation engineer. He also became a licensed real estate broker. (Today, Henry is in the process of acquiring many of the same credentials.)

PROPERTY AND PROFITS

In 1987, Rosenwach Tank bought a 120,000-square-foot site in Astoria, Queens, that had formerly housed, among other things, a munitions factory. "It's a tremendous location — 10 minutes from Flushing, 10 minutes from the Bronx, 10 minutes from Manhattan, two minutes from LaGuardia Airport," Andrew says.

After years of battles — contesting too-high city taxes, suffering failed agreements with developers — Rosenwach decided to develop the property on its own.

a Family Feeling in a Family Business

"We're fighters. We will not let go, and we will try very hard to make things work," Andrew says. The property is now LaGuardia Place, a thriving shopping center designed to serve the solidly middle-class residential area where it sits.

Recently, The Rosenwach Group moved its headquarters from Long Island City to LaGuardia Place. Rosenwach now rents out much of its former Long Island City space, which had greatly increased in value along with real estate throughout the metropolitan area. The same was true for the Williamsburg property that Julius bought. In 2013, Rosenwach sold it to a hotel developer for \$10 million.

These real estate moves became feasible only after Andrew had looked high and low in the city and Long Island for a suitably large replacement site for the company's manufacturing. Along the way, he was advised that if he wanted to expand the cooling tower business — the company hopes to roll it out nationally, along with Sitecraft — he should get the manufacturing situated near trucking routes. That led Andrew to a 200,000-square-foot site on a grassy corporate campus in Somerset, NI.

"Making that move allowed me to add 30 people to our workforce," he says. The company plans to set up a training facility in Somerset to pass down the specific skills needed for the water tank business, lest they fade from memory with the generations. "We're a small company, but we've made an overwhelming effort in New Jersey," Andrew says.

"But we're not Jersey boys," he hastens to add. "We're New York boys."

FACING THE FUTURE

Rosenwach Tank doesn't bother much with public relations — no Twitter, no Facebook, no media liaison. It doesn't have to. A wide range of media outlets has sought the company out, drawn by the romance of wooden water tanks and the appeal of an enduring, gritty New York business.

"It's a very tough business," Andrew says. "It's not like an app or a clothing design. It's on the front line, grassroots. The customer has to like you. You can't be behind the veil. You're one-to-one, and you have to be able to have the right supply, the right orchestra to produce it and install it. Everything has to gel perfectly, otherwise you lose money."

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Henry Rosenwach

Nobody leaves The Rosenwach Group for another job. "I can't get rid of people," laughs Deborah DeStefano, the controller, who has been with the company for 30 years. "I always tell people, 'If you find another job you feel is better for you, believe me I will not be angry. I will support you 100 percent.' But they never do."

Long-time employees offer a few reasons why that might be the case:

EMPLOYEES CAN GROW WITH THE COMPANY

DeStefano started as a bookkeeper and, as the company grew, developed expertise in risk management, contracts, property management, real estate, mortgages and more. "Mr. [Wallace] Rosenwach was a mentor for me. He would spend the time to explain to me how the market operated and how we fit in," she explains.

Similarly, Lisa Golowach, office manager, started as a receptionist 20 years ago. She now runs the office, the service department and more. "We all sit in one big room and we hear each other on calls, we yell to each other across the office and we learn," she says.

Golowach has learned so much that she is empowered to make decisions on emergency calls in Andrew Rosenwach's absence. "Being trusted to make decisions lets me know that I matter," she says. "Every single one of us matters, from the person answering the phone to the guy sitting on top of a tank."

EMPLOYEES EMULATE COMPANY LEADERS

"The reason I work as hard as I do is that I see [the Rosenwachs] working so hard," says Golowach.
"This is not a family that says, 'We're taking off Friday and Monday, hold down the fort.' They're in the bullpen with us, and if it's a hard day for us, it's a hard day for everybody."

COWORKERS ARE FAMILY MEMBERS

A mother may work in one department, her daughter in another; a father may be working with his son on a rooftop. "We have boys that were 6 years old at our company picnic 20 years ago who are now out working on tanks," says Golowach.

"This is a family business, and we've always felt comfortable bringing in people we knew, or staying with people we know," DeStefano explains. "We have affection for each other. Although we're not all Rosenwachs, we didn't have to be, because we always know we're part of the Rosenwach family."

For now, new buildings continue to sign on for water tanks. Even if they didn't, existing tank repair and maintenance could keep Rosenwach Tank in business for the foreseeable future. Still, Andrew and Henry are keenly aware that their business, like any, is vulnerable to disruption.

So they continue to move forward. A patent on a new design for a safety tie-off is pending. They recently unveiled an online management system called Splashbox that allows portfolio managers to efficiently file and follow up on tank inspection reports as required by the New York City Department of Health. Further innovations are in the works. "We're a very fierce competitor, at the end of the day," Andrew says. The company says it had \$25 million in sales in 2015.

More important than any product or new company is the question of succession. "Everyone says succession is the hardest part, but it seems to be working here," Andrew says. "My father would always say, 'Look, Andy, you can go work in a candy store and you will still have the same kind of aggravation you have in this business. You might as well take what's given to you and build from there."

Henry worked for the family business during the summers as a teenager, then for a real estate company for two years before joining the business full time. "My father never forced [the company] on me," Henry says. "I often think it was a kind of reverse psychology. I didn't really even know about the reputation and how far it reaches throughout the city." While taking a real estate course, Henry introduced himself, prompting a landlord who was also in the class to pronounce, "You're nobody in this city if you don't know the Rosenwachs."

"That took me aback," Henry says. "I realized the type of business my family created. When I started meeting the customers, every time I walked into a building, people would say, 'Your father's the best' or 'Your grandfather was great.' And that made me realize all the hard work and time that's been put into this before me. How can you pass that up?"

Now, says Henry, "I am 100 percent committed to the company. I'm both feet in, not thinking about anything else.

"It's a matter of time before things do change, and when they do, we'll see it and move forward. We're naturally entrepreneurs. We're here to stay." **CEO**

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