

CELEBRATING A “GENTLEMAN OF LIGHTING

The Year '08 = The Big 8-0 birthday for Abraham Kleinberg, who founded Crystorama 50 years ago.

Abraham Kleinberg may not have grown up dreaming of joining the lighting business, but like many in the industry, the more he learned about the category, the more intrigued he became with it.

First, the native New Yorker enlisted in the military after high school and was stationed in Shanghai. “My time there was very interesting and I’ve never forgotten it. World War II had just ended, Chiang Kai-shek was in power, and the country was very primitive. [The Chinese] were happy that Americans were there to help defend and support their country,” Kleinberg says. “My first experience in international business occurred when I was [there]. I was able to buy my first car from the General Motors office in China. I had to purchase [it] in China and pick it up several



Abraham Kleinberg (right) poses in Shanghai with an army buddy in 1946.



Joan and Abraham on their wedding day.

months later when I returned to the States. The car was \$500 and I was 18 years old and very nervous,” he remembers. “This was a smart purchase, however, because automobiles were in short supply after the war. I was a proud owner of a Chevrolet and I also bought a Buick for my parents.”

When Kleinberg came back to America, he went to college and earned a degree in accounting. “This gave me a great foundation for

running a business, but I wanted to be an entrepreneur,” he remarks. The opportunity arrived when his brother-in-law, who was a lighting sales rep, suggested Kleinberg leave his accounting job and start up a lighting company. “What attracted me to the industry were the family atmosphere and the enthusiastic people,” he states.

“I began as a manufacturer, buying parts from local distributors and assembling them in my machine shop,” Kleinberg recounts. “My father saw my potential and lent me \$5,000 – which was a great deal of money – to begin my career as an importer. At that time, there were only a



The Kleinbergs in 2006.



A cast bronze and crystal chandelier, imported by Crystorama circa 1960.



This 1960 two-light bronze wall sconce was the company's best-seller at that time.

few big importers of crystal and bronze chandeliers (Elite, Halcolite, Weiss & Biheller, Kenroy, and Crystal Mart). Since there was limited competition, everyone was able to make a living selling lights.”

As the head of a small company, Kleinberg was responsible for everything – from buying and sales to assembly, deliveries, accounting, and collections. “Back then, a personal visit to customers to collect past due monies was pretty common. It was a much more personal industry,” he admits.

“My business was primarily based in the metropolitan New York/New Jersey area, plus Texas,” Kleinberg states. “Some of my early customers were Thelma Moss from Moss Lighting in San Francisco, Arthur Lebersfeld from Capitol Lighting in N.J., and Worth Electric in Texas. I also appreciated the support I got from Jerry Schwartz, my sales representative in Texas. You always remember who supported you in the beginning!”

When Kleinberg launched his career, his biggest sellers were the five-light cast bronze chandeliers imported from Spain. “I sold them for \$45 each, and all the price calculations for the bronze pieces were done by weight,” he recalls. “In the early 1960s, one of my cli-

ents was Sam Minoff from Kichler Lighting. He visited my warehouse in Brooklyn and purchased these cast bronze fixtures by the case-load and sold them to his own customer base.”

As his business grew, Kleinberg flew to the European factories in Portugal, Spain, Italy, and Germany to negotiate for exclusive distribution in the United States. “Although manufacturers would assure me that I was the only American importer to purchase a particular model, more than once I discovered that my competitors were bringing in the exact items from the same [source],” he explains. “When I confronted one of my suppliers with this, he admitted selling to one of my competitors in California, but he felt that this was okay, as if California was not part of the United States!”

Keeping Ahead of the Competition

Europe was Kleinberg’s main resource for more than 45 years. In the early 1990s, he looked to Asia to find additional suppliers. “When I began in this industry, there was no manufacturing, per se, in China. Japan was known for its cheap labor and best prices, and therefore, I started importing my handblown glass arms from there,” he explains. “Then,

as Japan shifted towards electronics, Taiwan was the next source of affordable labor and prices. I limited my purchases to components, as I didn’t have faith in the quality of their manufacturing. That’s why I imported most of my products from Italy, Spain, Czechoslovakia, and Austria. At that time, I found that Taiwan manufacturing simply did not rise to the level of European quality. However, Taiwan *did* excel in solid brass Williamsburgs, so I began importing those. The problem was that every other American importer discovered this too, and soon everyone was competing on price,” he states.

“My roots and loyalty remained with the European vendors, whose designers were always at the forefront of fashion. In the 1950s, all the American designers and architects used their talents to develop buildings and urban landscapes. In Europe, because of its long history, they did not have the land to develop new buildings. As a result, they focused on interiors, making items that ranged from clothing and shoes to furniture and lighting,” Kleinberg says. “I’ve always enjoyed working with the European factories and their designers, but times have changed and I had to adapt. I discovered that some of my best European styles were being copied

by my competitors, manufactured in China, and selling at a very low price point. One competitor even came into my showroom and jokingly thanked me for the design, which was selling briskly at his showroom for a cheaper price! I realized right then that we must expand our importing from China. I went [there] and designed a new product line and had the price points that appealed to the mass market," he comments.

As every company knows, it's tough competing in today's economic environment. "With the U.S. dollar at an all-time low against foreign currency, you have to be more in tune with the demands of the market; you have to balance value and design," Kleinberg states. "We [devote] more of our time to developing new products that have high perceived value. We still specialize in high-quality European materials – natural alabaster, Swarovski® crystal, European castings, and Czech crystal bowls – that keep our brand a step above other im-

porters that buy every component from China."

Furthermore, Crystorama stands out from the crowd by teaming up with its European suppliers to incorporate their talents into the designs. "We work with the European designers and use the original molds and castings to produce a high-quality product that we manufacture in Asia," Kleinberg explains.

"[Combining] Chinese labor with European 'know-how,' we are able to produce a superior product at competitive price points. We market these items in the USA, while our partners distribute them in Europe and the Middle East."

In order to better control quality, receive priority shipments, and have the ability to do custom sizes and special finishes, Crystorama has invested in a Chinese factory. "We are known for being flexible and this partnership enhanced that reputation," Kleinberg states. "We selected a factory that had a good track record of selling to small European markets that are

known for high-quality items. We were not interested in a factory that sold mass-produced items to home centers. This relationship has been great and has set us up for growth and a strong direction."

How Times Have Changed

The expression, "The more things change, the more they stay the same" can often be applied to aspects of the lighting business. "The industry was drastically different [when I first started], but also the same in many respects. Back then – just as now – family-run firms were dominant," Kleinberg comments.

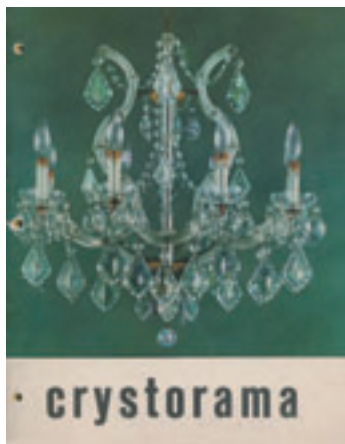
In the past, companies were known for categories. "There were outdoor manufacturers, crystal companies, and commodity firms. Each specialized in a select product, and if it was designed well, that manufacturer could count on it as an annuity for many years," Kleinberg explains. "This is no longer the case. There is no difference in most product lines these days. Now that the Chinese factories have become so advanced, I have new competitors in the crystal market. As long as a Chinese factory has crystal 'know-how,' so do all of his American importers."

On the flip side, there is more diverse talent in the industry than ever before. "Back when I started, everything was either made of brass, crystal, or wrought iron. Now, with the new technology of lamps (low-voltage and LEDs) and materials, designs can be more artistic. Lighting is no longer an afterthought; it is now an integral part of home furnishings," he exclaims.

With all of the design advancements has come speed. "Things were definitely simpler back then. Take communication, for instance. We had no



Abraham Kleinberg (far right) has dinner with his business partners in Spain circa 1961.



Catalog cover circa 1968.



The 1973 catalog.

e-mail, no copier or fax machines, and no cell phones. All of my [contact] with my overseas vendors was done by phone, postal service, or telegram. In retrospect, it seems so primitive," he remarks. "After I sent a message, I would often have to wait weeks for a response. Now, through e-mail exchanges and scanners, ideas and revisions are sent back and forth across the world in no time. It is

I remember the early struggles. Nothing came easy. At the same time, I was supporting a young family. My big break came from my local bank manager who loaned me money based on his faith in me. That was the old days. Yes, there were some stressful times, but now I can sit back and enjoy watching my family continue to grow a business that I started from years of effort," he states.

truly amazing when you consider what can be accomplished in a single hour!"

Creating a Legacy

"When I look back over 50 years,

Working with his family and seeing the company blossom brings Kleinberg the most joy. "My wife, Joan, used to work with me in the office. As the business grew, we accumulated discontinued items and customer returns. Eventually, we decided to open a store in the front of the factory as an outlet. Joan eventually took over the retail business and it became a successful showroom. I am very proud of my wife and my son, Brian, whose Elements: Lighting and Home Furnishings won the 2006 ARTS Award for best lighting store in the East. One of my original succession plans was to make a division of the retail and manufacturing companies. By doing so, I was able to give my sons the opportunity to be successful in their own businesses. Brian entered the retail end, while my son, Brad, stayed with the import/manufacturing side of the business. Several years later, my daughter, Nancy, joined Crystorama.

How would Kleinberg like to be remembered? "As a gentleman of the lighting industry," he quips. "At 79 years old, I go to work every day and have the pleasure of watching my children take what I started 50 years ago from a small warehouse in Brooklyn and transform it into two growing, successful family businesses. We've recently expanded and redesigned our Dallas showroom and opened one at the Las Vegas Market.

"I've treated everyone with respect and dignity from my factory workers and reps to my customers and suppliers. Crystorama currently employs more than 60 people and I have many valued workers who have been with me for decades," he states. "I truly enjoy what I do and the people I work with. I have no plans to retire anytime in the foreseeable future."

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ALL IN THE FAMILY

Siblings Brad Kleinberg and Nancy Lonoff discuss the rewards of working with kin.

Q. Did you plan on entering your dad's business?

A. "My senior year in college I studied abroad in Italy and lived with a family that owned an olive oil export company for several generations," Brad relates. "My parents came to visit me in Florence, and our families spent time talking, eating, and sharing stories. I came to realize that a family business is a rare and special opportunity."

Nancy was employed as an art teacher for several years, but the family business was always in the background. "I was designing the Crystorama catalogs in my spare time and also taking leave from my job to travel to Dallas for the trade shows. Dallas has always been a family affair," she states.

Q. What's the most rewarding aspect of working in a family business?

A. "More than anything else, I get a thrill from designing products, supervising their production, bringing them to market, and then watching others share my enthusiasm as they purchase it. There is no substitute for that experience," Brad explains. "I love when I see

our chandeliers grace people's homes – like how a musician feels when he hears someone whistling or singing one of his songs."

The ability to work with people she loves is what's most appealing to Nancy. "I'm at work more than I am at home. I get to spend my day with my father, my brother, and my dog, Wilbur. Yes, I bring my 80-pound love tornado to work; she's Crystorama's unofficial mascot and you'll find her picture on our catalog covers and advertisements," Nancy boasts. "I know that not everyone can work with a parent and a sibling all day, every day, but our chemistry makes it possible. I have the highest respect for my father and Brad."

Q. What are your father's most enduring qualities?

A. "He has created a company that values and treats employees and customers with respect, kindness, and sincere caring," Brad says. "We have a shared desire to support the community, such as our recent fund-raising for the Kristina's Rainbow of Hope Charity. These qualities have been instilled in my siblings and me, plus my legacy

to him is passing it onto my children."

Nancy also appreciates her father's gentle leadership. "He is non-judgmental. He has taught me to show both employees and customers common courtesy. He believes in promoting and communicating a positive attitude,

which can relieve stressful situations," she comments.

Q. Where do you envision taking your dad's company in the future?

A. "We're going to focus on making it easier for our customers to understand and familiarize themselves with our different lines," Brad states. "In our experience, we have found that not all of our customers benefit from having to flip through a 250-page master catalog. We are going to simplify our approach by issuing four separate catalogs that highlight our offerings. They will be divided as: *Crystorama Crystal "Originals 58" — Importer and Manufacturer of Fine Crystal Chandeliers Since 1958; Historical Illuminations — Time-tested Classical Designs; Lights of Distinction — The New Classics – Designs for Today's Interiors; and Paris Flea Market — Casual Crystal.*

"Our mission is to create a brand of decorative lighting products designed for today's interior spaces. We strive to be visionaries and raise the industry standard for design, quality, and kindness to our community."

Q. Will you be celebrating Crystorama's 50th anniversary at the Dallas market?

A. "Beginning at 6 p.m. on Friday night (Jan. 18 in our Dallas showroom TM 3503), we will be hosting a dual celebration. The year 2008 will represent the company's 50th anniversary as well as our father's 80th birthday," Brad notes. "We invite the whole industry to help us celebrate these special events. There will be plenty of food, drink, and music! Please come and help celebrate these historic events!" ❖



The Kleinberg family (from left to right, top row): Brian, Nancy, Mike, Ivy, and Brad. Bottom row (left to right): Abe, Duncan, Max, Mason, Cooper, Joan, and Carly.