

Global and Regional Perspective

RICK PRINCIPATO'S TOWER PRODUCTS HAS WORLDWIDE PRESENCE AND A COMMITMENT TO THE LEHIGH VALLEY

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Independently owned and operated since its inception, Tower Products is one of those small manufacturers that boasts a global reach.

Tucked away in an inconspicuous building off Freemansburg Avenue in Palmer Township, the company, in its 52nd year, produces environmentally sensitive press-room chemistry for the offset and flexographic printing industry. Its products are aimed at increasing worker safety and environmental compliance.

Its top executive, Rick Principato, takes pride in being a longtime resident and business leader of the Easton area.

"I grew up in a small-business family," he said.

A former Air Products exec, Principato has found his niche leading a small business that's aiming for further expansion into global markets without losing his sight on the importance of being committed to the Greater Lehigh Valley.

He also knows the importance of volunteering to give back to those less fortunate – focusing on developing a company that's connected to the community.

He spoke with Lehigh Valley Business about his company and how he got his start.

Lehigh Valley Business: What's your background? How did you come to taking the helm of Tower Products?

Rick Principato: I was born in West Virginia; my father worked for Union Carbide. We moved back to Easton when I was about 4 years old.

I have pretty much lived in the Easton area my whole life. Graduated at Easton Area High School. I lived in Whitehall for a short bit of time, worked at Air Products & Chemicals of Trexlertown.

When I joined Air Products, I was in their career development. I started out in the corporate controller's office preparing reports for management reviews of the board of directors for analyzing profitability.

My father owned this business [Tower] since 1964, so I grew up in a small-business family.

I grew up in Palmer Township. When my wife and I moved back to this area, we lived in Forks Township. It's only recently in the last few years that I moved back to Palmer Township.

I went to the University of Scranton, my MBA [Master of Business Administration] is from the University of Pittsburgh in the



Rick Principato at Tower Products in Palmer Township, where the company has 20 employees. It also has contract manufacturers around the country, as well as third-party distribution centers.

RICK PRINCIPATO

- **Company:** Tower Products Inc., Palmer Township.
- **Position:** President and CEO.
- **Hometown:** Born in Parkersburg, W.Va., and moved to Easton when he was 4; resides in Palmer Township.
- **Family tree:** Wife Megan; two daughters and one son.

YOUR FAVS

■ **When you brag about the Lehigh Valley to people from out of state, you say:** In my neighborhood, I have quite a few Crayola executives. I always say we sell product to Crayola for their manufacturing area. I always brag about Crayola to everyone. I always brag about Larry Holmes.

Easton is one of the three locations where the Declaration of Independence was read after it was signed in Philadelphia, which is one of the great things I love doing in Easton [Heritage Day]. I brag about those three things, about the significance of Easton.

I always have to talk about the Easton/Phillipsburg football game on Thanksgiving. This past year was the 110th. Over the years, it's been broadcast live on ESPN.

■ **Fantasy dinner guests:** If I were to sit down to dinner with someone it would be Kellyanne Conway [Donald Trump's campaign manager], Rudy Giuliani and Bill O'Reilly.

On the sports side, it would be Mike Schmidt, Kobe Bryant and Phil Jackson and maybe Bill Walton.

They are fascinating people as much for their athletic ability as well as for their backgrounds. If you read anything about these people, they are inspiring.

■ **Guilty pleasure:** I love hot dogs. I don't eat them a lot.

■ **Dream vacation:** I don't really have a dream vacation. My wife and I really enjoy going to Bermuda. If I were looking for a dream vacation, it would be Australia and New Zealand.

JUST YOU

■ **When you were a child, you wanted to be:** I wanted to be a lawyer. I started at the University of Pittsburgh as a political science major. I liked the business professors at the college but that was not attuned to what I wanted to do in the future. My master's degree was actually in finance and analysis. I knew I was more of a sales and marketing guy.

■ **What inspires you the most and why?** What really inspires me is seeing people in our community and across the country giving back to people less fortunate than they are. I personally try to be that person in my life. I feel very fortunate in where we are. I think we have a long way to go before everyone can appreciate the American dream. I really admire people that can give back.

The Lehigh Valley Wine Auction, all it does is fund children's programs. We raised over half-a-million dollars last year. I'm on the development committee of the Children's Home of Easton and have been president of the board for two years. I was a member of the Children's Home board for 20 years.

■ **What makes a great day for you?** Quite honestly, just getting out of bed in the morning and feeling good. Coming to work and feeling good. As long as everyone else is happy, I'm happy. Making sure our customers are satisfied, making sure the flow of business goes well from a financial and ethical business perspective. Making sure my family is OK.

Joseph Katz [Graduate] School of Business, an 11-month MBA program. It's very vigorous.

I bought Tower Products from my father in 1996.

LVB: What does your company do?

Principato: We manufacture technology products that are used in offset and flexographic printing. We sell to people like Quad/Graphics [a large global printing company] and

we sell to people like Harmony Press [a small, local commercial printing company in Easton], anybody that's printing either in flexology or offset. ... Scientific Games, they do all the scratch-off lottery tickets.

Those are the end users. But we sell through distributors, those are people like Agfa, Fuji, Heidelberg, Veritiv, which is the largest paper distributor in the U.S. We also

have 115 distributors in the U.S. and Canada.

We have distributors in Latin America and South America, Mexico; also, in the Pacific region I have a very large distributor in the Philippines.

LVB: How did you get your company to grow to a global company?

Principato: A lot of hard work. Because we were able to develop really unique water-based chemistry for those offset and flexographic areas, we were able to secure a lot of high-quality customers.

Then, we also have a licensing agreement with several companies where we manufacture, package and distribute. Most of my competition is manufacturing and selling direct to the end user or selling their own label to the end user.

We do quite a bit of private label. We make product for a lot of different people.

LVB: How many employees do you have?

Principato: We have 20 employees here. We have contract manufacturers around the country and we have third-party distribution centers. Our Palmer Township location is the only physically owned property, although we do warehouse our products throughout the U.S.A.

LVB: What has helped your company become successful?

Principato: I try to keep a global perspective of how our business operates across the world, but I also try to focus on a regional perspective because I think the Lehigh Valley needs to come together even more than it has done so.

The access and the ability of the Chamber [Greater Lehigh Valley Chamber of Commerce] to bring everyone together. ... The LVEDC [Lehigh Valley Economic Development Corp.] with Don [Cunningham] running it has done a remarkable job.

Another great resource for manufacturers is the Fab Lab up at the [Northampton] Community College. That laboratory helped us develop one of our best-selling products. We have a lot of resources in the Lehigh Valley. This is a really good area for manufacturing.

The Tower EuroHub [a distribution network] was established in the Netherlands between RGP Green Solutions, our master distributor in Europe, and Tower Products.

The goal was to ship large quantities of product to the master distributor for them to sell to their own customers and to smaller distributors so that they could profitably purchase our products in smaller quantities. So far, the EuroHub has expanded from three technology products to nine products.