

LEADERSHIP PROFILE

Sal Boutureira, President of SABO Industrial Corp. Environmental Waste Water Systems

THE PASSION OF AN ENTREPRENEUR





When HV Mfg first approached Sal Boutureira, of Newburgh's SABO Industrial Corporation, to be our leader profile for this edition he had one question: "Why Sal?" The answer, as you will see, is that his is a compelling story of entrepreneurship, leadership, problem solving and passion. We think you will agree that our discussion with the founder, owner and president of this small manufacturer of industrial wastewater treatment systems to be well worth the read.

HV MFG: Let's start at the beginning – how did a New York City kid like you end up owning a manufacturing company in Newburgh?

SB: Well, that's a long story but if you want to hear it... I grew up in Greenwich Village and attended CUNY for Electrical Design Engineering, but I did not finish. One of my first jobs after I left school was working for an industrial equipment and supply company - Manson Tool & Supply – first in shipping and receiving and later on in sales. I worked hard to develop my skills and I became a pretty good salesman. I had customers all over the region – Lifesavers candy in Port Chester, Corning Glass Works up in Corning to name a couple. The owner, Mr. Mort Ellison was a terrific guy, and he taught me a lot. Mort really trusted me and respected my hard work. He knew how valuable I was to the company and treated me well.

Unfortunately... you knew something bad was coming right? Unfortunately, around 1980 Mort passed away and the new management structure did not live by the same business philosophies – well let's just say they were not as appreciative of my talents as Mort was. We had a confrontation, I gave my notice and a week later I founded my own tool and supply company. It happened so fast. I did it part out of anger... they really ticked me off... and part out of pride. I didn't even tell my wife that I quit my job right away. I only told her I quit my job about a week later and at the same time I told her she owned half of a new company, oh and by the way when you answer the phone say "Good Morning SB Industrial Specialties" I am still surprised she didn't kill me!

HV MFG: So SB Industrial Specialties became SABO Industrial?

SB: Not exactly – do you really think it could be that smooth and simple? SB Industrial did not survive the recession of the early 1990's. I was not as wise as I am now. Now I try to think with my head more than my heart, that was not the case back then. The recession hit manufacturing pretty hard and SB Industrial got stuck holding the bag when a few of my bigger customers could not pay their bills. SB re-organized into SABO Industrial in 1992. The first thing I did was to go to everyone we owed money to and told them we would pay them back. I took half of our profit and paid everyone back what they were owed. People told me I didn't have to but for me not paying was never an option.

HV MFG: But today SABO Industrial is not a tool and supply company, it's an industrial waste water treatment company, correct?

SB: That's right, SABO designs and manufactures waste water treatment equipment, bag filter and we also distribute waste water treatment formulas. Our equipment is in manufacturing facilities throughout the US and Europe. How did we get into this business? Basically, several of our tool and supply customers were complaining to me about the cost of their water treatment systems for solvents. The companies that were in the water treatment business at that time basically offered a one size fits all option... "this is what we make, take it or leave it." Typically that solution was very expensive and way more than was needed. I introduced our first machine, the "EV 100" – also known around here as "Sal's Baby" – in 1998. I was able to customize this system for different clients to totally encapsulate heavy metals and contaminants that

were a byproduct of their particular manufacturing process. A SABO treatment system did (and does) the job at a lower cost and with better results. They save our customers thousands of dollars.

HV MFG: You mentioned earlier that you did not finish your degree in electrical design. Have you applied any of your education in this business?

SB: Yes, a little – you know my mom is still really mad at me for not finishing college, she still brings it up and it's been 40 years! I do apply the basic engineering principles I learned, but most of what makes SABO special is in our chemical solutions to specific waste streams. The real irony here is that Chemistry was my least favorite subject in High School, but now it is one of the most important aspects of what I do. I have to determine the chemical makeup of the waste stream and find the most effective product to treat it. I really enjoy the challenge of analyzing the waste stream and being able to see what I can do with it.

HV MFG: We don't doubt that's true...judging by all the jars of water in various states and colors on that shelf by the window and by the fact that you actually have a small lab built right into your office.

SB: Oh I have samples from all over – I can't bid on a job until I know I can solve the problem. Some are more complicated than others and I love the challenge of finding the best solution to each problem.

I'm pretty passionate about it. SABO's goal is to build a waste water treatment system that is more efficient and effective than the competition. We are able to do this by customizing a system and procedure to meet each customer's needs and keep them in compliance. For me that's what makes it so fun and satisfying.

HV MFG: Sounds like its safe to say customer satisfaction is pretty important to you.

SB: It's very important to me and everyone here at SABO. I can tell you that one of our own fellow Council members, Metallized Carbon in Ossining was one of the first flow thru design customers and about 20 years later, they came back to replace that original system with one of our newer PLC/HMI controlled units., our Econo Flow Series System. I am proud our system worked for them for 20 years and prouder that they came back to us for a new one. By the way If anyone is interested all of our systems can be viewed in operation on the video library page at www.saboindustrial.com.

HV MFG: We can hear in your voice your passion and the pride you take in your product and your problem solving abilities. That is obviously a good thing for SABO, but does that passion every get in your way?

SB: I think I mentioned earlier that I try to think more with my head than my heart but that's not always easy. My passion can lead me to be a little rough around the edges, maybe too direct at times. I always want to put my best foot forward and only involve myself and my company in projects that are done well and done right. This passion and hard work has led us to be the largest stocking distributor of Cleartreat® separating agents in the United States and one of the leading industrial wastewater treatment companies.

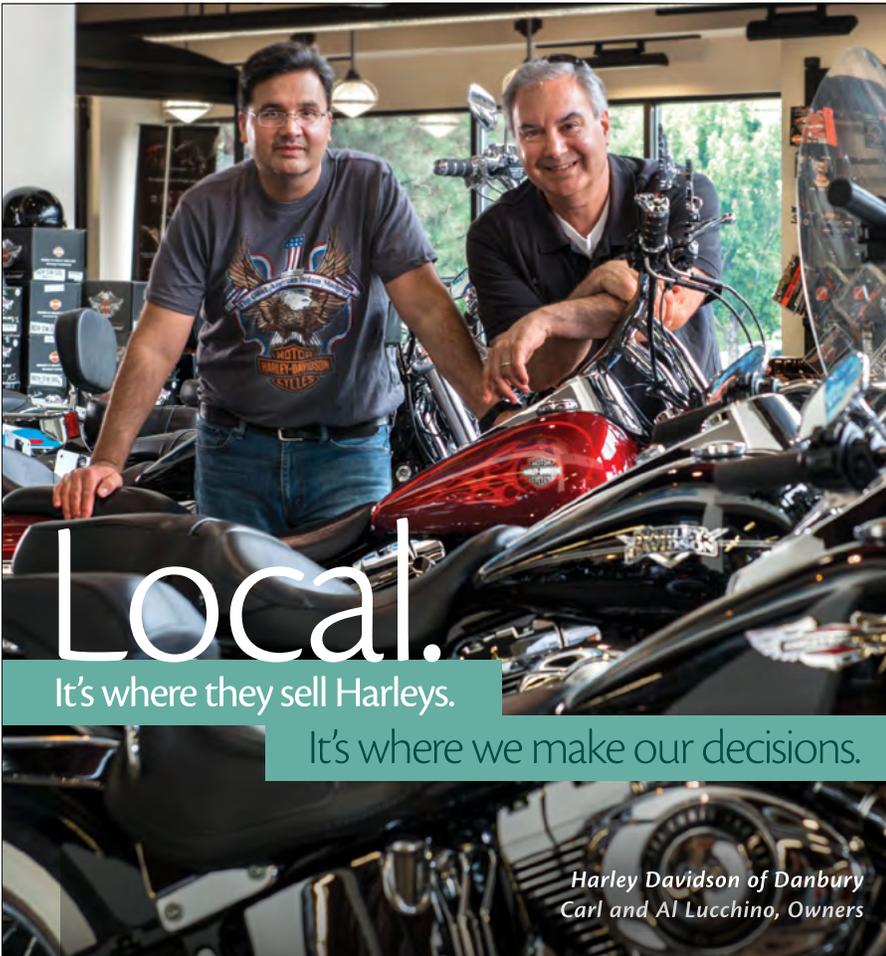
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HV MFG: What are some opportunities for SABO in the years ahead?

SB: I am really optimistic about the future of the company. We continue to grow the industrial side of the business, such as the flexographic printing industry, industrial battery wash, marinas, corrugated box manufacturing and the transit system industries. With our systems, millions of gallons of wastewater are now within compliance for discharge to the sewer system. Our industrial systems keep hazardous materials from entering the municipal waste water system. Now we are working on some things that may help those municipal systems work more effectively and efficiently. The law says that municipal systems need to create 20 % solid content. Most systems

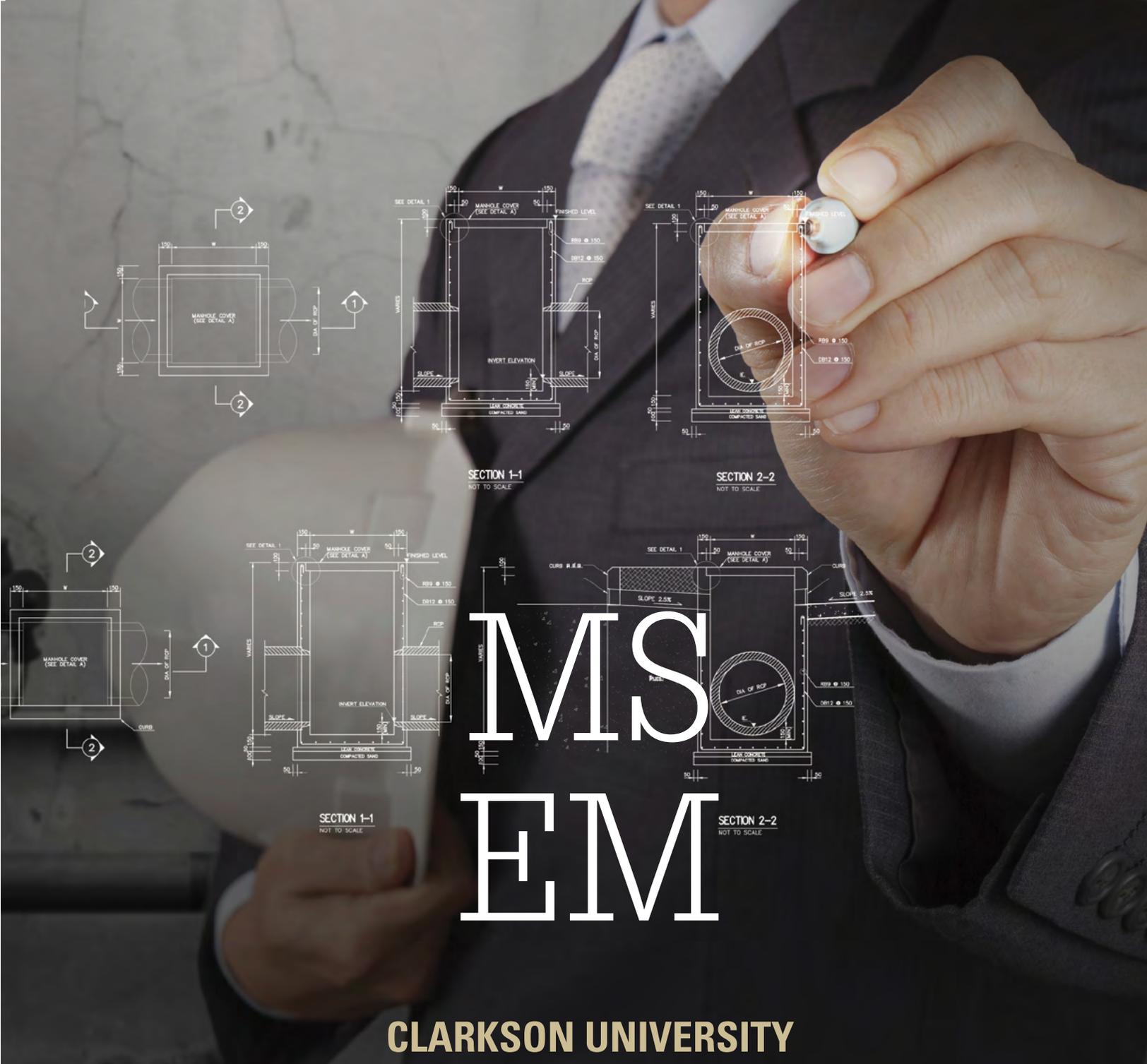
around here average in the high teens. Our solution is reaching 32%! That would open up a huge new market for us. We have determined that we are able to encapsulate Ammonia and Hydrogen Sulfide which is probably the biggest obstacle that the municipalities face every day. We are currently working with local sewer plants that are using our formulas and equipment so as to document our

findings. We expect this new path to be very successful. We are looking to expand our facility to accommodate the increase in inventory. We are also working on some control systems that will enable us to remotely monitor our systems. To alert us when maintenance is required or if any adjustment needs to be made to the system.

HV MFG: You sound like a classic entrepreneur. You know the experts say that one of the hardest things for an



Ray Anderson



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entrepreneur to do is delegate responsibility to others. Has this been a challenge for you? Are you able to delegate to keep the company growing?

SB: I have some great people here. Dana (Romer) and Ray (Anderson) have been with me from the very beginning. I rely on Dana for so much here in the office and on the administrative side and Ray for his design and mechanical abilities as well as his wisdom and experience. My son, Sal, is also becoming someone I can count on and I hope he will eventually take over running the business for me one day. With that said... Yes, I have a hard time delegating. When you have done everything, from sales to design to fabrication to finance it's hard not to want to keep your hand in all of it. I can't help but think that my experience makes me the best person to make many of the important decisions. It's also true that the customers are used to dealing with me and they want to continue to deal with me. That can make it hard to focus on strategy and growth, but, so far, I am still able to make it work.

HV MFG: What do you think makes a good leader?

SB: I have to admit I don't think about this a lot, but I guess my answer goes back to the way I was treated when I left Manson Tool. That had a big effect on me. The people that took it over had no respect for me and what I contributed to the company. I have never

treated people that way in my 28 + years as a business owner. I try to always treat people fairly, and I expect the same from anyone who deals with me – employees, customers, suppliers – I'm honest and fair – and expect you to be the same. I also think keeping lines of communication open is important. I can't fix problems if I don't know they exist; I can't expect people to be as excited about SABO as I am if I don't share what we are working on and where the company is headed with them.

HV MFG: You have been a member of the Council of Industry for close to 15 years now. What do we do well? What can we do better?

SB: The networking stuff has always been great – when I can get to it. Those morning meetings are tough for me! And I think we will be taking advantage of some of the leadership training now that we are growing. What can you do better? How about some more evening meetings? Maybe more actively try to connect members together who might be able to do business with one another. That would be helpful.