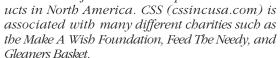
Eliminating Waste

An Interview with Ernie Peia, Owner, CSS, Inc.

Founder and Chief Executive Officer of CSS Inc. (Closeouts Surplus & Salvage). He started CSS 35 years ago selling merchandise such as clothing and health and beauty aids out of the trunk of his car. Today, CSS sells over 7,500 different items in many different categories such as electronics, home goods, appliances, automotive, toys, hardware, groceries, pet supplies, and more. In addition, CSS is the largest purchaser and reseller of As Seen on TV prod-





Ernie Peia

What was your vision for founding CSS?

When I first started out in the merchandising business, I noticed major brand companies had an extraordinary amount of surplus inventory. There were many reasons for this surplus of merchandise, including the change in seasons, newer styles and models being introduced, and faster technology. Another major reason was that companies had to make room in their warehouses to store new merchandise that was coming in at a fast pace. For these reasons, as well as others, they were forced to sell their current inventory at closeout pricing. In addition to the surplus, these companies would have to discard and destroy top-quality merchandise just because the packaging was slightly damaged. Another issue was when they had a label change or when they introduced a newer-looking package, they didn't want the older-looking packaging on the shelves in the retail stores. As you can imagine, all these factors affected their bottom-line profit in a negative way. I knew there had to be an alternative to what they were being forced to do with their products. They needed a partner who could help them with these challenges. Therefore CSS (Closeouts Surplus & Salvage) was created, and we showed these major brand companies that selling us their surplus products at a fair market price would eliminate the need to sell at

prices where their profit margins would be hurt or even destroyed. Speaking of destroyed – imagine how thrilled these companies were when they realized they could sell us their slightly damaged products; now where they previously took a loss, they are making a profit.

Will you provide an overview of CSS' services and solutions?

We have the ability to purchase and warehouse extremely large quantities of merchandise. Our buying power enables us to sell major branded merchandise to smaller retailers and other venues that normally would not get the opportunity to purchase to sell these brands because they could not afford to purchase the minimum purchase amounts required. By doing this, we not only help the brand expand the number of places where their product is sold, but it also helps them achieve their targeted sales goals and increases the brand's awareness in the marketplace. We also have a drop-ship division. What this simply means is we ship merchandise directly for companies or when items are purchased online. We provide this service for them all around the world.



Project area at the CSS warehouse

I would like to mention that we are also a major refurbishing company. Major brands trust us to fix, repair, and repackage their product to their original manufactured condition. They need this service due to items getting damaged while being shipped, customers and retailers who return merchandise, floods, and issues with the temperature in their warehouse. These are just a few reasons why they need this valuable service.

Where do you see the greatest opportunities for growth for CSS business?

I believe and I hope most people will agree that we need to take care of our planet. We need to dispose of trash in the proper way and we need to recycle products that can be used again or can be recycled into a new, useful product. We help companies start or continue to grow their green initiatives and sustainability programs. We have proven Zero Waste and Zero Landfill solutions programs. As companies

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and manufacturers continue to grow, so will their challenges with sustainability and we are there to help them by recycling their products in a way that is best for the planet which obviously is best for all of us who live here. We have showrooms in New Jersey, Pennsylvania, Chicago, Illinois, Oklahoma, Las Vegas, and additional surrounding areas coming soon so we can better serve our clients with this fast-growing initiative as well as all of our other services.

How critical is it for CSS to build a diverse and inclusive workforce?

This is a subject that is extremely important to me - our employees. I say this because our employees are our most important asset. Without them, we would not exist. Many have been working for us since the company started over 35 years ago. We have had the pleasure of watching them grow, and their families as well. We have an employee program which we call FGP (future growth program). We have periodic discussions with employees to discuss where they are in CSS and where they would like to go. We then set up a plan with them to help them achieve their goals. Communication is paramount and that is why we have this program. We also always try to promote from within which has been a very successful program for us as I am a firm believer that the future of CSS is not only in my hands or in the hands of our current leadership, but it is also in the hands of our future leaders whom we are currently teaching, grooming, and learning from as well. I also have an open-door policy and I make sure that every employee knows if they have something on their mind that they would like to discuss, I am here for them just like they are here for me each day.

What do you see as CSS' responsibility to the communities it serves?

The community we serve has always been extremely supportive of our success, so we do feel that we have a responsibility to give back to our community. Due to our growing success, we are always looking for new, talented employees and we are always excited when we can hire someone from our community to become part of our working family. In addition, we work with many local charities by donating food, clothing, appliances, building materials, cellular phones, and other necessities. We will continue with this practice and do whatever we can to help our neighbors. We also work with our neighborhood schools by donating sports equipment for their sporting programs. We also donate our time. We work with neighborhood representatives and help with projects to clean, repair, and beautify the neighborhood.

Did you always know that you had an entrepreneurial spirit and desire to build your own company?

I still remember my first lemonade stand when I was a child. I remember gathering all the ingredients with my mom to make the lemonade and making the stand and the sign, but what I remember most was the feeling in my heart when I sold that first glass of lemonade. I will never forget that feeling. I was so proud of myself, and I knew my parents were proud of me too. Obviously, I wasn't the first kid to have a lemonade stand, but for me it was a total success and I knew at that moment I wanted to do this again. When I was fourteen years old and in the eighth grade, I began selling candy in school. I started with Snickers and 3 Musketeers candy bars. After a short time, I had ten kids in

the school in different grades selling for me. Looking back, I realize that was my first sales force. As I got older, I began to read every book I could on business and leadership. I still practice this behavior because as times change, great leaders must be adaptive and have the ability to change as well.

Do you take moments to reflect and appreciate what you have built with CSS or are you always looking at what is next?

I am a firm believer in taking time to reflect. In today's busy world, I think people are too focused on where they want to go instead of taking a moment to turn around and truly notice how far they have come in their journey through life. We are all busy and technology is changing faster than ever and it's almost impossible for us to keep up. Therefore, I try to use technology to assist me in my time of reflection. For example, I will set a timer on my phone to remind me to stop what I'm doing and take a minute to be thankful for what I have. I also spend time viewing new and old pictures of me, my family, and my business so I can appreciate and be thankful for what I have accomplished.

I must admit that I do spend a lot of time looking for what is next for me and CSS. We all know that when we become too comfortable where we are, we tend to get lazy and then growth slows down, or even worse it stops. I have noticed this happen with friends and other business leaders I know. Sometimes it is difficult to get started or motivated again and we get caught in the "someday syndrome." I once heard a saying that I will never forget: "The road to someday leads to a town of nowhere," and that is a road I never want to take and a town I never want to visit. lack lack

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