

# PAINT & DECORATING

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## The Modern Strategy

Woman-Owned Business Sets Out to Become Household Name 34



By Todd Taber

# Women at Work

How a New York Business Expanded Exponentially in 90 Days



Since 1926, the business now known as Modern Paint & Hardware has served the needs of the New Rochelle, New York, community, helping homeowners and professionals across the area transform homes and businesses into unique spaces that perfectly reflect their owners' personalities.

Behind the successful operation is a powerful duo of women with lots of personality of their own. The Modern Paint Group president Laurie Kracko and chief operating officer Maura McCosker, both lifetime residents of New Rochelle, took different paths to their current positions, but both are committed to growing their business and its reputation store by store, customer by customer.

## Changing Hands, Changing Names

In 1978, McCosker's family purchased Modern Paint & Glass, changing the name to Modern Hardware & Paint and instilling an unstoppable work ethic in McCosker that she carries to this day.

"When I was 12 years old, I started working in the store on Saturdays," McCosker recalls. "I just love retail. I love helping people figure out how to fix things in their homes and make their decorating visions a reality."

After earning a degree in business administration, McCosker managed the store for several years. She put her education and the practical know-how she accrued from a childhood spent in the store to good use, helping a steady stream of contractors and DIYers take their home improvement projects to new heights.

In 2009, New Rochelle businessman Elliot Kracko, Laurie's father, was looking for a new opportunity. Eventually, he and his business partner decided to purchase the business from McCosker's parents, forming the Modern Paint & Hardware Corp.

The new owners renovated the store and flipped the name to Modern Paint & Hardware to reflect the operation's focus on providing innovative, customer-pleasing paint products to the New Rochelle community.

"It was a difficult decision for my parents, but it was time to sell," McCosker says. "They were worried about me as their daughter and worried about their longtime employees, but on a personal level, it was the right time to sell."

McCosker jokes that she was "sold with the company," staying on to continue the work she loves and help guide the business's transition between owners.

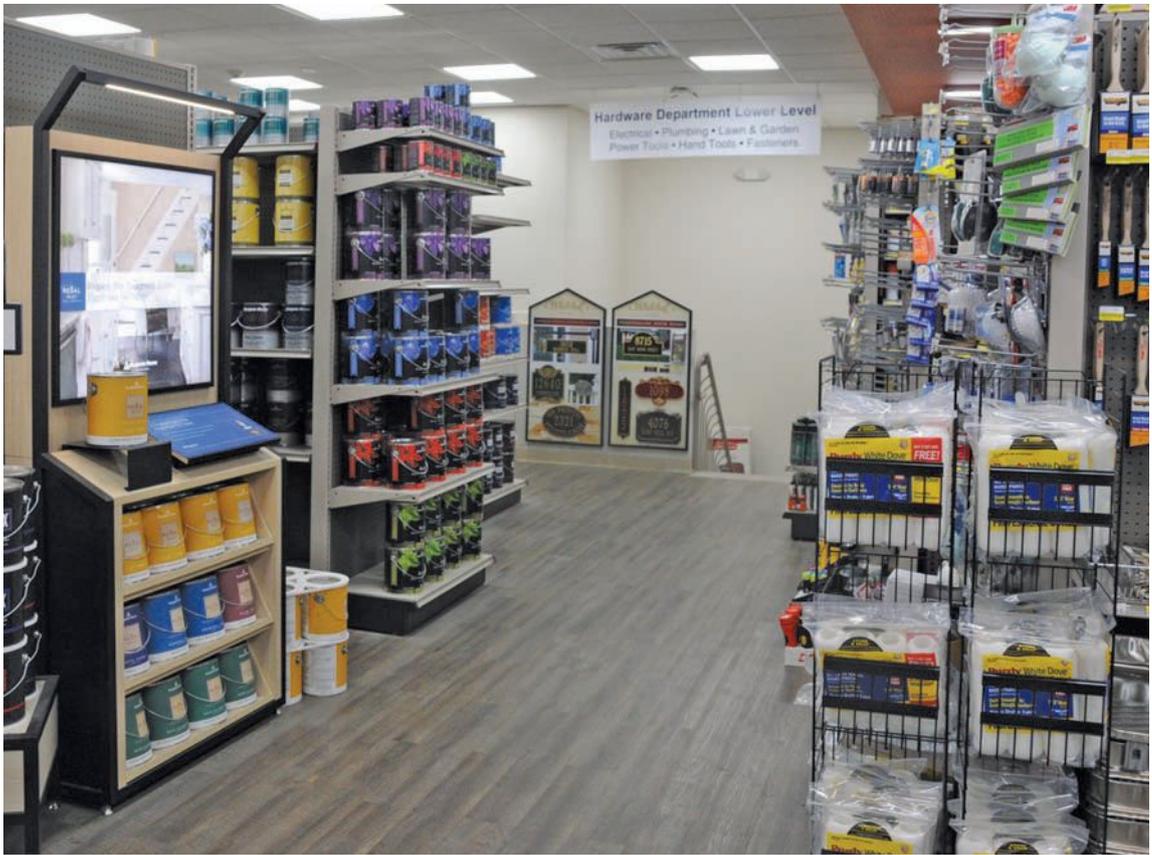
In 2015, the opportunity to purchase another paint store and expand Modern Paint & Hardware's reach in New Rochelle and the surrounding area presented itself. McCosker took the lead to Kracko and his business partner, but the business partner felt he wouldn't be able to give the time and attention that successfully launching a new store would require.

That's when Laurie, Elliot Kracko's daughter, entered the Modern Paint & Hardware picture. She and McCosker had known each other since Elliot purchased the company in 2009, and shortly after meeting, the pair knew they wanted to work together however they could.

Since 2009, Laurie and another business partner had operated a safety supply company that served job sites in and around Manhattan. The position gave Laurie insight into construction projects, contractors' needs and a glimpse into a fiercely competitive industry, but like her father, she was ready to find a new opportunity of her own.

In 2015, she bought out her father's business partner, becoming co-owner of Modern Paint & Hardware with her father, who she says is semi-retired, but still remains active in the direction of the business.

"While Maura was interested in growing the contractor base and growing the Modern brand, I was very attracted to the idea of growing a small business, especially here in the area where my father and I are from," Kracko says. "I wanted to see what we could do."



At Modern Paint & Hardware's second New Rochelle, New York, location, customers are greeted with a mix of everyday essentials and versatile paint supplies. Two floors of merchandise give DIYers and contractors plenty of options.

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**“At this moment, we don’t have any plans to expand further. Now we’re focused on making sure each location runs as smoothly as possible.”**

—Laurie Kracko, Modern Paint & Hardware

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With a fresh management team running the business and seeing new potential for a 90-year-old company, Modern Paint & Hardware began its most ambitious project yet: rapid expansion.

### **Growing One Store at a Time**

With Kracko and McCosker on a united front to bolster the Modern Paint brand and take the business to the next level, the pair decided to pursue expansion plans aggressively, purchasing six locations in 90 days.

“You lose track after four!” Kracko says. “At this moment, we don’t have any plans to expand further. Now we’re focused on making sure each location runs as smoothly as possible.”

To grow so quickly and open locations in Westchester and Rockland counties, Modern Paint & Hardware purchased existing paint stores when available, all but one of which were Benjamin Moore stores at the time of sale.

For Kracko and McCosker, it was important to keep as many current employees as possible and let them know their dedication to the industry was truly appreciated.

“It’s very scary for people to work someplace for years and suddenly someone new comes in,” McCosker says. “We kept all the current employees at all the paint stores we had purchased, but eventually over time a few left for various reasons.”

“That goes back to superior customer service, too,” Kracko adds. “Customers are used to seeing the same employees, they know people by name and come back because of that connection.”

For Kracko and McCosker, one of the biggest motivating factors for expanding their business so rapidly was the increased opportunity that a larger retail footprint represented.

“With more stores came better buying power, more brand recognition for Modern,” Kracko says. “It was a really important decision for the business.”

The expansion offered new opportunities to McCosker as well. After serving as store manager for 21 years, Kracko and her father decided McCosker's decades of industry experience and retail prowess would serve the company well in a higher position. She first became the vice president of paint operations before being named to her current role, chief operating officer.

Since adding an eighth location in Bedford Hills in May 2017, Kracko and McCosker now oversee 50 employees. They say managing multiple locations can be difficult, but establishing companywide rules and regulations early has helped smooth any rough edges from the expansion and solidify the Modern brand as Westchester and Rockland Counties' go-to paint and decorating retailer.

### Women's Business Intuition

For Kracko and McCosker, gaining credibility and respect from contractors and new customers hasn't always been easy. Even as the two women expanded Modern's market share and boosted sales by adding location after location, they've had to assert themselves as industry experts time and time again.

"People have come to the paint department, literally looked me straight in the face and asked, 'Is anyone here?'" McCosker says. "People just assumed that because I was a woman I had no idea what I was talking about when it comes to paint."

McCosker says her team had a plan for these kinds of visits. She'd find a male employee to send back to the customer, and he'd make a point of "checking with the boss," calling McCosker back to give the final verdict on the customer's question.

Kracko and McCosker aren't letting any slights slow them down. In 2016, they became officially certified as a women-owned business enterprise (WBE) in New York City, a designation that allows them to bid on government-funded projects in the most populous city in the U.S. This designation could bolster the business's name recognition, project expertise and customer base in one fell swoop.

"The motivation to become a WBE was primarily to grow the business and get our name out there to contractors," Kracko says. "It was a no-brainer. It doesn't cost anything to apply for the certification, and there can be huge benefits for a company, but the application isn't an easy process."

It all began with a mountain of paperwork. A 50-page application was the first step, and then an in-person interview followed to ensure women were truly in the ownership and management roles required to secure the WBE designation.

To complicate matters, Modern Paint & Hardware would need to apply to become a WBE with New York City, New York state and the Port Authority of New York and New Jersey separately. Kracko and McCosker were put in touch with a professional consultant who had experience helping businesses navigate WBE certification, a resource they both recommend to retailers seeking minority or WBE certification.

"The process can be very frustrating," Kracko says. "It's almost like they're testing you. 'Do you really want this certification? Are you really going to work hard?' For us, the answer is yes."

Kracko and McCosker say they're on track to receive state WBE recognition this spring but are currently WBE-certified in New York City and with the Port Authority, ready to tackle any projects that come their way.

In the year since receiving the city's WBE recognition, Modern Paint & Hardware supplied paint for a local community college. That's just their first project, Kracko and McCosker say. Both women have lofty goals on the horizon.

"My goal is to supply all the paint for all the terminals in New York," McCosker says. "We're not there yet, but we're pounding the pavement every single day. You have to build relationships though, because the certification doesn't guarantee anything. Contractors have to trust you, they have to want to do business with you."



At Modern Paint & Hardware's three in-store design centers, consultants help customers find inspiration for residential and commercial renovation projects.



From basic interior options to advanced high-performance coatings, Modern Paint & Hardware offers everything DIYers and contractors need to finish their paint and decorating projects perfectly.

**“Managers have to inspire the rest of the staff, and there’s nothing anyone in our store wouldn’t do to help a customer start or finish a project.”**

—Maura McCosker, Modern Paint & Hardware

Kracko says she appreciates that programs like WBE certifications exist. They give Modern Paint & Hardware a foot in the door of a competitive industry and the chance to bid on projects that could boost sales and name recognition instantly.

“Part of the battle is getting your name out there. We’re two women who own and operate a chain of eight stores who are only looking to grow our business,” Kracko says. “Paint, hardware and construction—that’s a man’s world. Having this certification opens new doors for us.”

### From Concept to Completion

Modern Paint & Hardware’s flagship location in New Rochelle is less than a mile from a big-box home improvement retailer, a constant reminder for Kracko and McCosker that customers have many options when they decide to undertake a new construction or remodeling project.

But according to McCosker, it’s the Modern Paint team’s constant commitment to stellar customer service that sets them apart from any big-name competitors.

“Excellent customer service starts from the top,” McCosker says. “Managers have to inspire the rest of the staff, and there’s nothing anyone in our store wouldn’t do to help a customer start or finish a project.”

Kracko says educating employees on how to best serve customers starts as early as the very first job interview.

“We make it very clear in the interview that we expect employees to take customers to the exact aisle they need,” she says. “Otherwise, a customer can go anywhere, they don’t need a mom-and-pop store or our level of service.”

Both women agree that taking time to introduce yourself to a customer and listen to their project needs can be a small investment that pays dividends for years to come.

“A customer might be coming in for a 25-cent item, but if you help them from the moment they enter the store, you make a customer for life,” Kracko says.

“Our products are competitively priced, but customers are willing to pay a little more when we’ve formed a relationship,” McCosker says. “Customers know us by name. They know my parents and my grandparents, and they know both my children. They can call me on a Sunday morning with a problem, and I’ll help them figure it out, whether I’m in the store, in my office or in Europe. Laurie and I are always available for our customers and they know that.”

One area where Modern Paint & Hardware is making lucrative gains is with personalized design consultations. While the company’s WBE certification helps court contractors statewide, it’s the design services that cater to discerning local homeowners who are ready to spend big bucks to give their homes a fresh look.

Whether Modern’s on-staff designers visit a client directly in their home or welcome them to one of the three Modern locations that feature design centers, clients appreciate the one-on-one attention.

“Customers come in and a lot of the time, they’re really at a loss as to how to start a project. What they really need is guidance, and that’s exactly what the design team gives them,” Kracko says. “Everyone needs a little hand-holding every once in awhile. Homeowners only remodel once every few years, so why not help them enjoy it?”

Modern Paint & Hardware’s team of on-staff designers helps clients understand their many options when it comes to home improvement projects, from window treatments and upholstery services to wallpaper and architectural hardware.

McCosker says the design team tries to steer clients away from what’s trendy and focus on achieving the kind of space clients want to live and work in for years to come.

“People are always asking what’s popular, and I tell them that doesn’t matter,” McCosker says. “If I say hot pink is the new trend, you’re not going to necessarily trust my design opinion. I try to work with what the customer loves. It’s important to work with a client’s own ideas and help kick them up a notch.”

## A Modern Legacy

The business now known as Modern Paint & Hardware has been a New Rochelle community staple since first opening its doors in 1926.

After operating from a single location for nearly 90 years, 2015 was a groundbreaking year of growth for Modern Paint & Hardware. Take a look at other major milestones for the New Rochelle-area retailer.

**1926**

Flagship location in New Rochelle opens.

**March 30, 2015**

The Modern Paint Group LLC is formed, and a new vision for the company takes hold.

**April 1, 2015**

Modern Paint & Hardware of Katonah is acquired. This location features an in-store design center. On this date, the company also acquires Modern Paint & Hardware of Lewisboro.

**May 18, 2015**

Modern Paint & Hardware of Ardsley becomes the company’s fourth location.

**May 19, 2015**

The company acquires Modern Paint & Hardware of Nanuet. This location also features an in-store design center.

**July 1, 2015**

Modern Paint & Hardware of Pomona is acquired, bringing the company to six total locations.

**Nov. 18, 2015**

Modern Paint Group celebrates the grand opening of its seventh location, acquired earlier in the year. This second New Rochelle location was formerly a Chinese restaurant and required four months of extensive demolition and construction work. It’s home to the company’s third in-store design center.

**May 17, 2017**

Modern Paint Group opens its eighth location, a brand new store in Bedford Hills, New York.

### 'A Good Match'

After expanding Modern Paint & Hardware to eight total locations, it's clear Kracko and McCosker have forged a strong bond of mutual respect and appreciation, both professionally and personally.

"Maura is more nuts and bolts and I'm more numbers and business," Kracko says. "We balance each other really well. My father jokes that Maura knows everything about paint, but all I know is that it comes in different colors. We come from different backgrounds and see things differently, but that helps us both see the full picture. I've never met anyone like her—she can handle absolutely anything life throws her way."

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—Maura McCosker, Modern Paint & Hardware

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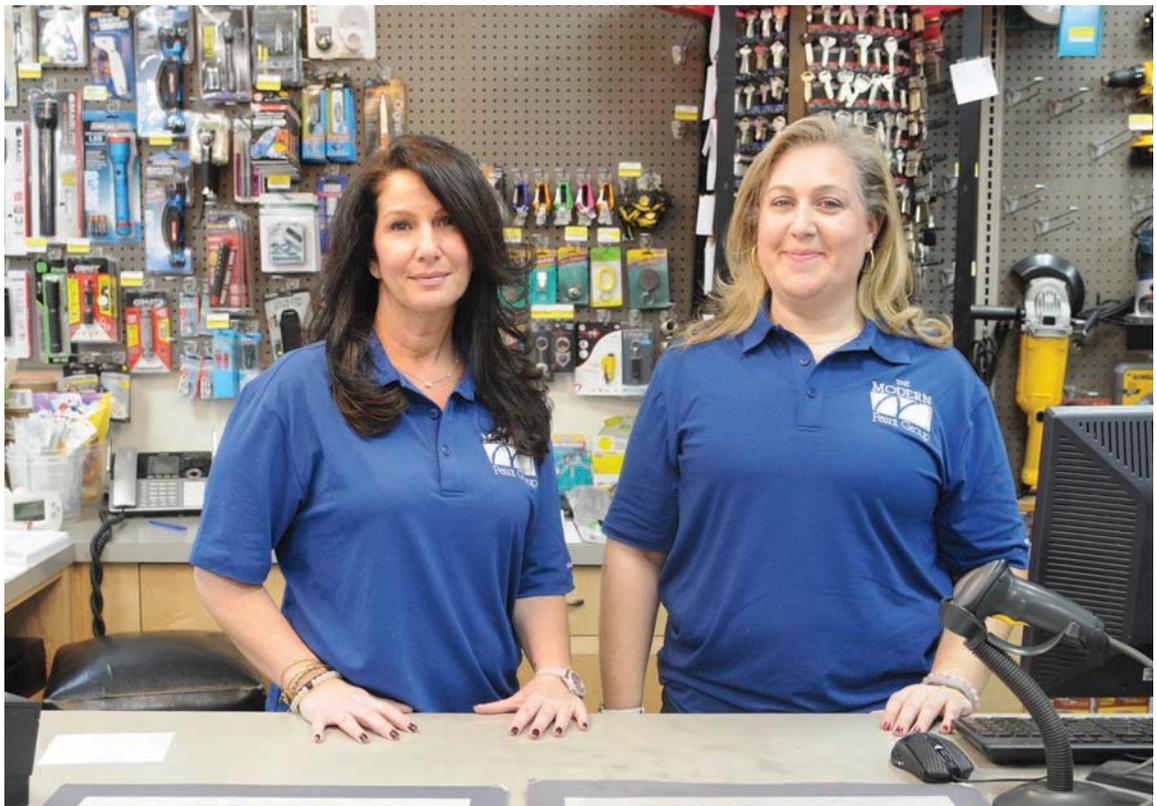
"We're a good match," McCosker says. "Laurie would come in when her father first bought the store, and we just clicked. She's kind-hearted and logical, even when things are frustrating. She's determined and truly believes in our ability to lead Modern to where we need to go."

### The Future of Modern

Even with rapid expansion, the long road of WBE certification paperwork and the push and pull of operating eight separate locations, Modern Paint & Hardware is still committed to offering New Rochelle and the surrounding area everything it needs, from beautiful paint and high-durability industrial coatings to everyday essentials like hammers and lightbulbs.

As Kracko and McCosker settle into 2018, they're excited to strengthen their relationships with local homeowners, expand their contractor base and forge new connections with each and every customer who chooses Modern Paint & Hardware.

"We learned that when you take on a project like this—expanding so quickly—it takes years to get everything to run perfectly, but we're ready for it now," McCosker says. "I think 2018 is going to be a pretty amazing year for the The Modern Paint Group." ●



Maura McCosker (left) and Laurie Kracko (right) are on a united front to accelerate Modern Paint & Hardware. The company is recognized as an official women's business enterprise, which enables it to bid on government-funded projects.