

Modern Metals®

The magazine for metal service centers, OEMs and fabricators

www.modernmetals.com

A TREND Publication September 2004

RUSSIAN METAL

A new day dawning

INSIDE:

Coil Coating:
Canfield Metal Coating Corporation



CoilCoating

The riches of niches

By Michelle Martinez, Editor-in-Chief

Two and one-half years ago, CMC was reintroduced to the industry as a specialty coater. Now the company is re-energized with an aggressive rollout plan for new coatings.

Bigger isn't always better, suggested Jim Bruhn, president of Canfield Metal Coating (CMC) in a recent interview, and he should know.

The Canfield, Ohio, company has been around since 1950, spending most of its life as the prepaint division of Wheeling-Pittsburgh Steel Co. But by the end of 2001, CMC was spun off from the financially beleaguered Wheeling-Pitt, and the traditional electrogalvanizing and prepaint division accustomed to churning out large-ton orders for steel mills had to rediscover its identity as an independent business in a sea of competition.

The answer, said Bruhn, was to transform CMC into a specialty coil coater with an aggressive bent on introducing new coatings into the marketplace.

"We needed to become agile and willing to try anything," said Bruhn. "That was the way to an exciting future for CMC." Big lines that run uniform orders aren't CMC's core competency, Bruhn indicated. Instead, the company needed to build its strength on the ability to change—and change quickly. "People at Canfield began to not be afraid of change," Bruhn said. "That's one of the most important things that we have done."



CMC isn't trying to be the biggest coil coater in the market, Bruhn said, nor does the company want to compete with the largest companies in the industry. CMC "wants to be the niche company of choice, and that is really in specialty coatings," Bruhn stated.

CMC is a light-gauge electrogalvanizer with a raft of conventional product offerings. But, through an industry partnership with General Electric Co.'s Infrastructure Water & Process Technologies Division, the company has

begun to introduce an array of specialty coatings—some the company says aren't available anywhere else. New products include an acrylic primer, tinted and clear acrylic coatings, a dry-film lubricant and non-chrome sealers and passivation products.

All of CMC's customers require high-quality, flat, coated steel, and the company boasts a claim rate of less than one-third of 1 percent. But being a specialty coater meant that CMC's customer base was expanding, introducing a diverse

array of specific needs. To reach into even newer markets, the company had to offer something different than its traditional fare. "We're trying to build a basket of many solutions for our customers," said Bruhn.

CMC had been a customer of GE Infrastructure Water & Process Technologies (previously known as GE Betz) for a decade with a steady, if not large, stream of business, said Mark Bruner, district manager, Ohio Valley Metals District of Water and Process Technologies. That changed two years ago when Bruhn asked Bruner how CMC could become one of GE's biggest customers. "We said we wanted to make him the million-dollar guy," Bruhn joked. "Togeth-

er, we needed to figure out how we could do that." Quality had to be a given, he added, and GE had to help CMC be cost competitive. But real growth depended on the two companies' success in driving the new coatings to market.

"Jim is a progressive thinker," Bruner said. "He realized that if he's increasing his business with GE then he's also increasing his offerings to his customers." So far, Bruner's business has grown with CMC by 100 percent, he said, and he expects it to grow more.

Bruhn has high hopes as well. The transition to a specialty coater meant that CMC became a more important supplier to the various niches that it served, resulting in a more stable and less price-sensitive customer base. Price is always essential, Bruhn said, but CMC has avoided much of the bidding wars that come with end users with six-month supplier qualification schedules.

A stable cache of niche customers gave CMC's margins a nice boost. "Amazingly, we began to get good economies because we had better order loads. We had better order loads because we were serving niches that were more unique to us. We think we're going



Jim Bruhn, president of CMC

to get stronger that way," said Bruhn.

The new coatings certainly won't hurt. Bruhn indicated that the new product introductions have solidified existing customers in CMC's principal markets (appliance, automotive, construction, door and container) and piqued the interest of other niches. CMC's tinted acrylic coatings, for example, come in five colors: charcoal, emerald green, ruby red, marina blue and clear and are applied on the electrogalv line, eliminating the cost of painting on another line and offering corrosion resistance and lubricity.

The company's non-chrome treatments include sealers for corrosion resistance and paint adhesion for electrogalvanized steel treated with phosphate; dried-in-place conversion coatings; and oil replacement coatings, which the company says do not rub off, aren't messy and are easily removed with alkaline cleaners.

CMC plans to release an acrylic primer—a replacement for conventional pretreatments and two-coat paint systems with enhanced corrosion plus paint and polyurethane adhesion properties—and hybrid coatings in the fourth quarter of this year. Hybrid coatings combine zinc with layers of traditional chemical

treatment to produce "paintability" and increased corrosion resistance, the company said.

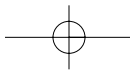
A lengthy list of services is an important addition to CMC's plans. The company offers a laundry list of options including steel purchasing, conversion and first-stage fabrication.

The company has cultivated solid relationships with leading mills, Bruhn said, and hasn't been cut short in the current market. "We've been full through this period," he stated.

Which is a good thing. Bruhn anticipates that the one-two punch of CMC's new coatings and array of supporting services will result in a growth spurt for the company and will likely change the face of who the company serves. In a year, Bruhn said, as much as 30 percent of the company's customer base will be different. "I think we're changing that rapidly," Bruhn said. ■

Canfield Metal Coating Corp., Canfield, Ohio, 877/264-5262, fax: 330/533-5741, www.coilcoat.com.

GE Infrastructure Water & Process Technologies, Trevose, Penn., 215/355-3300, www.gewater.com.



Bursting with energy!

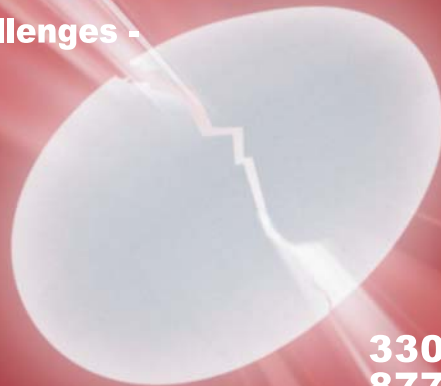
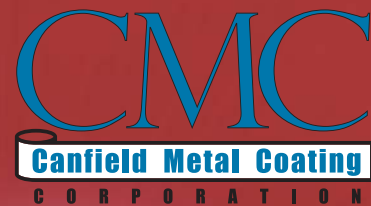
We spent 50 years developing as a quality electro-galvanizer. Now we are spreading our specialty coating wings, with an array of new products to crow about.

Contact us with your coating challenges - see what experience and energy can do for you.

Services:

- **Steel purchase or conversion**
- **Electro-galvanizing**
- **Specialty coating**
- **Painting**
- **Oscillating**

ISO 9001/2000 certified



330 533 3311
877 264 5262
fax 330 533 5741
sales@coilcoat.com
www.coilcoat.com