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manufacturing

BEST PRACTICES FOR INDUSTRY LEADERS

TODAY

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WILLBANKS METALS INC.

www.willbanksmetals.com / HQ: Fort Worth, Texas / Employees: 170 / Products: Steel fabrication and distribution / Eric Letz, co-owner: "We jump through hoops to take care of our customers."



EMPLOYEES' EXPERIENCE SETS WILLBANKS METALS APART FROM ITS COMPETITORS.

KEEPING ITS WORD

WILLBANKS METALS SAYS IT STRIVES TO MAKE ITS CUSTOMERS HAPPY, EVEN IN INTENSE CIRCUMSTANCES. BY FERNIE GRACE TIFLIS

Despite the steel market's globalization, one-stop-shop steel service center Willbanks Metals Inc. says it is here for the long-term. The second-generation co-owners of the Fort Worth, Texas-based firm grew up in the business. Brothers Eric and Ryan Letz joined ownership in the company with their father, Fred Letz, in 2006.

The duo had been working part-time, sweeping floors in their father and grandfather's facility since they were 13 and 14 years old.

"We've been involved in the day-to-day operations of this company for a long time," Eric Letz says.

Their employees' experience is what sets the company apart from its competitors, Letz adds. "We always try to take care of whatever our customers need us to do," he says. "Service is our biggest focus here." Willbanks Metals fabricates and distributes custom steel parts, hot rolled cut to length, steel plate, I-beam and other structural bar products, to a diverse customer base, including energy-related companies, transportation, OEMs, and structural fabricators.

Customers are demanding faster lead times, notes Ryan Letz. "People prefer one- to two- day lead times," he says. "Everyone wants more just-

in-time service. It's the Wal-Mart attitude – if they can't have it today, they want it soon." He adds that it's all about sticking to promises. "We do what we say we're going to do," Letz continues. "When you're quoting somebody, you're quoting lead times, as well. Some of our competition will quote faster lead times to get the order, then ship it late."

Nothing is perfect, however. "There are times when machines break down, but we do everything we can," Eric Letz says. "We jump through hoops to take care of our customers."

There have been instances, Ryan Letz explains, when a machine broke down and the company had to out-source fabrication. "We've done job's at no cost, just to make sure customers are happy and they get their products on time," he states. "But, this only happens in extreme conditions. We do a lot of preventative >>



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MORE EXPOSURE

Today’s competitive market squeezes profit margins, Ryan Letz says. “It’s a commodity-driven business,” he notes. “That’s why we sell service, so price will come in second.”

In addition, the value of the dollar has weakened in the past six to nine months, Eric Letz notes. “The business cycle became more globally focused in the past three years,” he explains. “The value of the dollar has affected the domestic industry quite a bit. We used to buy 75 percent of our steel from foreign mills. Because of the exchange rates and the demand in other countries, foreign supply has diminished quite a bit. This has caused some new issues for us, but all together has been a very positive event with our domestic suppliers. We’ve realized the importance of a strong relationship and a good rapport with our vendors.”

To adapt to challenges, Willbanks Metals is updating its sales and inventory management software, adding various products, such as hot rolled pickled and oiled coil, and improving its line of fabrication equipment. The company recently added a 4,400-watt laser, a 24-foot, 1,000-ton press brake, and a light gauge cut to length line. “We’re doing anything that we can to provide additional services for our customers,” Ryan Letz says.

IMPROVING PRODUCTIVITY

The company’s biggest asset, however, is its people. Productivity increases when employees are happy and satisfied, Eric Letz notes. In November 2006, Willbanks Metals teamed with Marketplace Chaplain USA, an organization focused on taking care of corporate employees. “Having a Christian-based belief, this is one way to show our employees that we care about them,” Letz explains. “It also shows that we expect a lot from them and their pro-

ductivity, that we emphasize quality, safety and efficiency.”

The four-person Willbanks Metals team takes care of its employees needs, from weddings and funeral arrangements to drug counseling. “We always do a random drug test at least once a year,” Letz continues.

“Before, we would typically expect a 10 to 12 percent fallout. This year that number was cut in half. I believe that we can attribute a lot of this to Marketplace Chaplains.”

GAINING RESPECT

The first-generation owners of Willbanks Metals were the Letzs’ father and grandfather, who started in 1974 with a shear machine and a press brake.

“They started making trailer parts first,” Ryan Letz recalls. “The whole strategy was to simply make a profit. The company grew and gained respect from customers. It eventually evolved and got into the distribution side of the business.”

Willbanks Metals was a two-person company on a three-acre site in 1974. Today, it sits on 13 acres of land and employs about 170 people. Its goal, however, remains the same: to grow consistently. “We’ve always grown consistently,” Ryan Letz adds. “The market has its ups and downs, but we’ve never had to lay off people and never grown beyond our customer base. And we’re proud of that.” **mt**

The Gus Bates Co. (GBC) GBC is a Fort Worth, Texas-based employee benefits brokerage and consulting firm. With 40-plus years in the industry and more than 400 group clients across the country, it strives to maximize options available to help businesses and individuals control costs and add value in employee benefits and financial well-being. For more information, visit www.gusbates.com

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