

Practical Partnerships

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Fabricators can increase profits by teaming up with each other and diversifying their products.

Miscellaneous steel is a concept that at first can seem ambiguous. The word miscellaneous might convey only a vague idea of assorted shapes and handrails. But AISC-member May Specialty Fabricators, Inc., based in Register, GA, has taken the concept of miscellaneous steel and defined it with entrepreneurial insight, quality output, and cost effectiveness. By partnering with larger fabricators and working with local businesses, May Specialty produces critical light structural members for large-scale projects—and is able to reap rewards without incurring big-time costs.

MUTUAL REWARDS

"We look at things from a different standpoint," says company president and founder Jeff May. "We do things that other companies wouldn't consider."

May Specialty started as an industrial equipment manufacturing company in 1994. The company soon began to manufacture ornamental and light structural steel.

"We specifically look for multi-floor structures that require handrails and stairs," May said. "We do our own installation of stairs and handrails—but we also began working closely with larger fabricators about three years ago."

Instead of expanding to become a large-scale structural steel fabricator, May Specialty teamed up with other fabricators to fabricate specialized steel for big projects. "The step was market driven," May said. "We did not

want to grow into the computerized beam and column-line market. You have to purchase a tremendous amount of equipment to compete with large structural fabricators. And it was easier to get work from other large fabricators than to bid against them."

May Specialty frequently works hand-in-hand with AISC-member fabricator Macuch Steel Products, Inc. in Augusta, GA. The two fabricators recently teamed up with AISC-member fabricator Em-Co Metal Products, Inc., of Twin City, GA on the Strom Thurmond Fitness and Wellness Center at the University of South Carolina in Columbia, SC. The three-story building has several intermediate levels, and May Specialty worked on a \$1.3-million stair and handrail package.

"There are five stair towers of steel," May said. "Companies like Macuch, that produce 200 tons of steel per week, don't do stairs or handrails. So we found our niche becoming kind of an employee of these larger companies."

Gary Cowart, structural division vice president of Macuch, says his company has a good relationship with May Specialty. "Complex miscellaneous projects like the fitness center demand high quality," he said. "May Specialty has competitive prices, and we've been pleased with their work in the past. So we formed a partnership, bid the job together and we've done the job successfully."

May says it's important for small fabricators to form relationships with "big-brother" companies like Macuch. "Selecting larger companies in your area and building that relationship with several of them is a good plan, be-

cause there's safety in numbers. And you are guaranteed work through the success of larger companies."

Em-Co, which is owned by principals of Macuch, fabricated all of the trusses and walkways for the fitness facility. The company often bids on specialized projects, but like May Specialty, takes advantage of opportunities to work with larger fabricators. "We do all of their [Macuch's] high-labor and non-beam-line work," said Em-Co Quality Control Manager Ray Braddy. "Macuch goes after the big type of work that is way too big for May Specialty and Em-Co. If they get a bid, we sub-fabricate what they want us to do. Working together with larger companies works great for us, because we don't compete, we help each other. There are seven or eight other fabricators in a 100-mile radius, and we rarely bump heads."

May Specialty was recently awarded a bid to fabricate the steel for a new information technology building on the campus of Georgia Southern University. The building requires 1400' of handrail. "We'll do the handrail, and sub-out the fabrication and erection of the structural steel," May said. "The secret is that sometimes you have to go for the whole package in order to glean from that project what is your forte."

EQUIPMENT EXTRAS

In addition to working on structural projects, May Specialty produces industrial equipment for local factories. The company has created production equipment for glass manufacturer Viracon and conveyer equipment for Federal Express. "The equipment components

we build are made from the typical raw materials that go into any miscellaneous steel project," May said. "We just take them and convert them into industrial components and equipment."

Since 1996, May Specialty also has made equipment for neighbor engine manufacturer Briggs & Stratton. In addition to hangers and containers, May Specialty fabricates steel baskets used to heat and recycle aluminum from engine cylinders. The baskets need to be replaced with new ones monthly as the steel is worn from the intense heat.

"It's nothing to build," May said. "It's a standing order on a regular basis. It's like pennies from heaven. And opportunities like that are everywhere—you've just got to find them."

May recommends that small fabricators seek industrial applications on a local level to increase profits. "Profit margins in industrial work are excellent," he said. "They are less driven by competition than by quality and service. We go in, look at a project. They know our capabilities. Industrial contractors are looking for a solution and they don't mind paying for it."

And May Specialty's local industrial products are also cost-effective for its

clients. "We've been able to save a lot of money," said Rickey Cribb, manufacturing engineer for Briggs & Stratton. "They are near to us, so if we need anything, they just send someone over. There's always something that needs fabricating, and this way we don't have to pay a lot of shipping costs."

DIVERSIFICATION ADVANTAGE

Jeff May attributes his company's success to the diversification of its products. "Other companies that failed to diversify failed completely," he said. "Forty and 50 years ago, when fabricators like Macuch started, you could grow into that 200-ton-a-week market. Now it's so competitive that the profit margins won't support a small fabricator. Small companies that don't diversify have fallen by the wayside trying to make the jump, because you need at least several large projects per year to support yourself."

May says that diversifying also has decreased insurance costs. "Handrails are classified as ornamental or decorative," he said. "It gives us the freedom of a very light insurance classification in terms of the nature of the product. It has fewer accidents in installation be-

cause handrails are a low-to-the-ground application. And shop-equipment fabrication is not costly. Since we build to the design of engineers, the liability risks are with the design engineers."

Although the company's biggest insurance costs come from typical standard beam and column erection, May says that shouldn't prevent small fabricators from manufacturing them. Working with other fabricators to complete projects also lessens insurance concerns, May said. "When you sub-out the fabrication and erection to different companies, as long as you maintain a copy of their insurance policies, they incur the liability even though the work flows through you. We're insured vicariously through the companies we sub-out to."

As companies like May Specialty push to partner with other fabricators and diversify their products, they refine the role of specialty steel fabricators—and continue to stretch its boundaries—to create a new and expanded definition of what it means to be miscellaneous. ★