

# editor's note



**To know yet to think that one does not know is best; not to know yet to think that one knows will lead to difficulty.**

— Lao-Tzu (6th century B.C.), Chinese philosopher

Up until three weeks ago, whenever Bill Pascoli or Bobbi Marsteller talked about the joys of Pittsburgh, I just rolled my eyes. I had last been to Pittsburgh in the mid-1990s, and frankly, I wasn't impressed. I thought I knew Pittsburgh; and I was wrong. It turned out to be a city with delightful restaurants, interesting museums, pleasant parks, exciting sports venues (who can argue with a world championship team named the "Steelers"?), and perhaps the best convention center in the world.

Too often the reality of yesterday clouds our knowledge of the reality of today. I'm always amazed by designers who still insist "least weight is least cost," an axiom that was becoming outdated even in the 1960s; or contractors who insist on painting interior steel, despite conclusive evidence that there's no need to coat steel that is not exposed to the elements; or owners who don't realize that there are extremely efficient low floor-to-floor height steel systems that offer great value for residential construction.

One of the biggest reality shifts in the last few years is the growing impact of service centers on the steel construction market. While many designers and contractors perceive that most steel is bought directly from mills, the reality is that roughly 70% of all the structural steel used in buildings in the U.S. flows through service centers (for those unfamiliar with the term, a service center is essentially a warehouse store for steel; just as a lot of contractors buy material from Home Depot rather than a lumber yard,

today most fabricators buy from a service center rather than directly from the mill).

The shift toward service centers in many ways reflects the shift toward value-added services in manufacturing throughout the world. The most basic value offered by service centers is inventory control. I recently visited a fabricator near Chicago and at first couldn't figure out what had changed since my last visit. It finally dawned on me that even though the shop was quite busy, there was almost no steel in the yard (a far cry from my last visit when there were piles and piles of wide-flange and angles). It turns out that this fabricator has moved to a "just in time delivery" system that reduces his inventory costs and also reduces the cost of having to move piles of steel to reach a needed shape below. Most service centers offer "cut-to-length" as a value-added resource, but many also can perform other services such as cambering.

Of course, there is a cost to using a middleman and when jobs are large enough to justify mill bundle quantities, many fabricators still buy directly from a mill.

There's always a solution in steel and service centers (with their nearly 1 million tons of inventory) are another tool fabricators can use to make sure projects go smoothly.

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