

SPRING 2008

# ONEAL NEWS

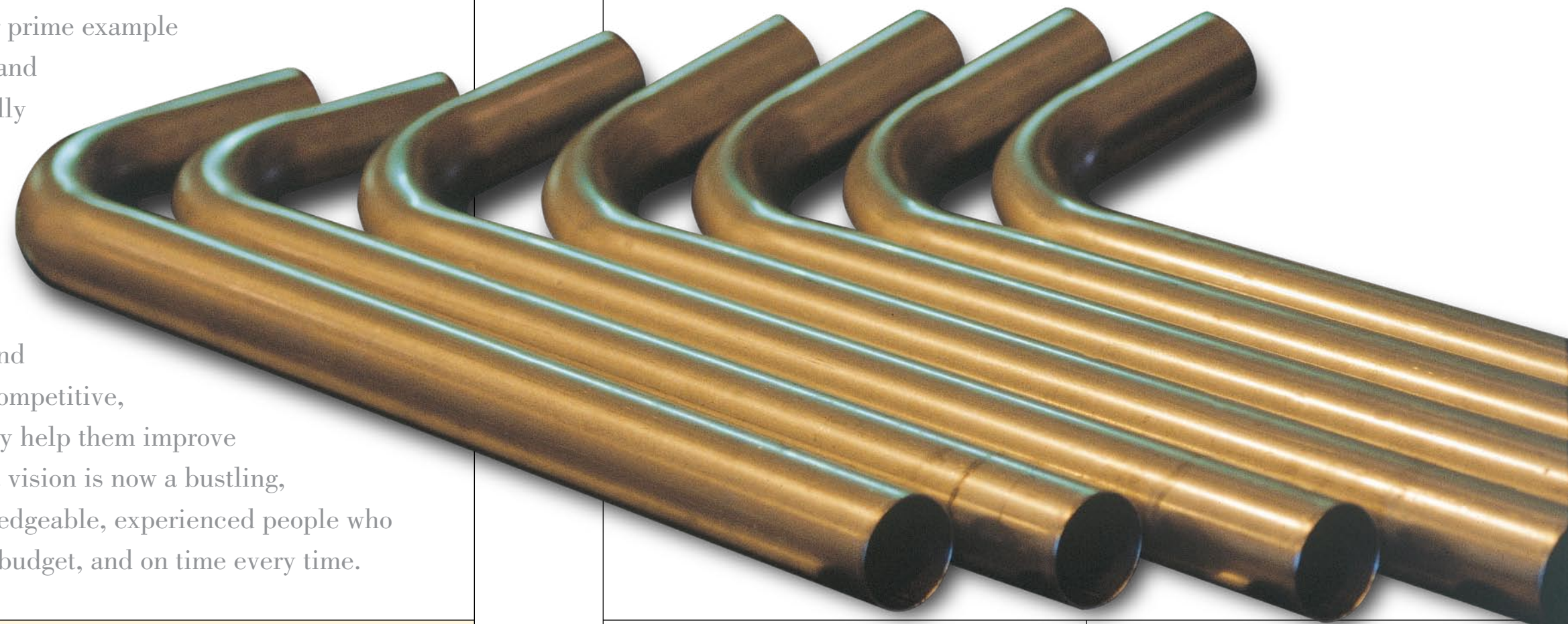
**A BENT FOR TUBE  
PROCESSING**

**ALSO INSIDE...**

**BIRMINGHAM DISTRICT SPOTLIGHT,  
BELT BUCKLE AWARDS, AND MORE**



The Tube Processing Division is another prime example of O’Neal’s customer-driven philosophy and entrepreneurial spirit. The company’s fully dedicated tube processing facility in Lebanon, Tennessee came about in 2000 because of a noticeable void in the marketplace and O’Neal’s desire and ability to fill it. It was an opportunity to answer a very real need and provide customers with a high-quality, competitive, convenient resource that could ultimately help them improve their bottom line. What was previously a vision is now a bustling, specialized operation staffed with knowledgeable, experienced people who are committed to doing the job right, on budget, and on time every time.



# WE’RE BENDING OVER BACKWARDS



In the years leading up to the opening of O’Neal’s Tube Processing Division, groundwork was gradually – although somewhat unintentionally – being laid. It all started in the 1980s at Weissman Steel in Waterloo, Iowa. That’s where **Gene Richard**, who is now General Manager of the Tube Processing Center, worked in sales. He had a customer who needed a reliable source to form tubing into various shapes for use in the manufacture of printing presses. Seeing that as an opportunity to expand the company’s partnership with a customer, Gene presented the situation to upper-management, and they agreed that it was worth pursuing. Weissman first purchased a manual bender and then two CNC tube-bending machines. That solved the customer’s problem. But an even bigger long-term benefit was that the more Gene and others at the company worked on that account, the more their knowledge of, and interest in, tube processing grew.

Weissman Steel was acquired by O’Neal in 1995, and the existing operation became O’Neal’s Waterloo District. The amount of tube processing being done at that time was relatively small, but the district’s experience and Gene’s background would prove to be very valuable going forward.

Tube processing was still uncharted territory for O’Neal.

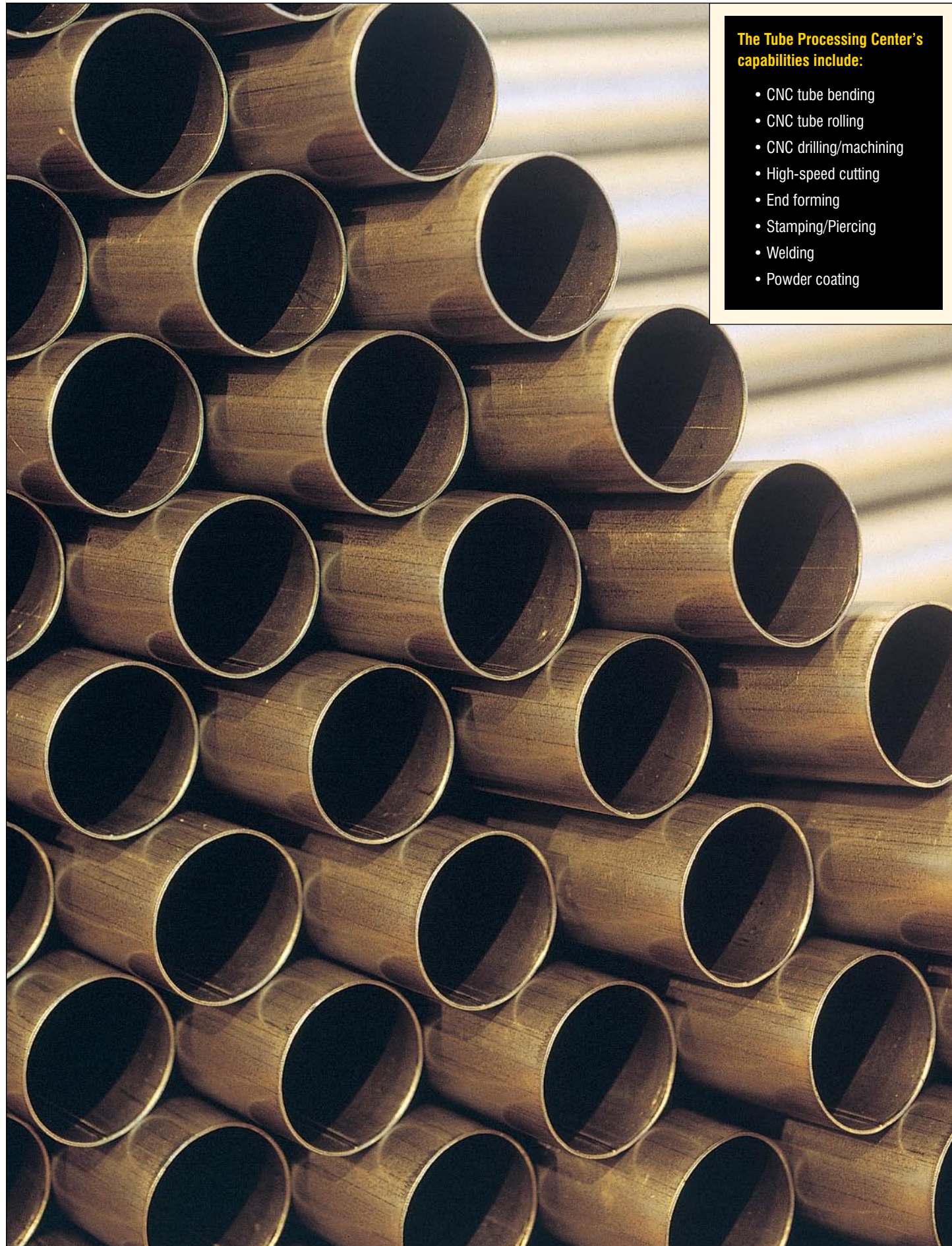
The company was one of the nation’s major suppliers of mechanical pipe and tubing, but the cutting, bending, rolling, end-forming, and other types of processing for those products had always been left to much more specialized operations. That, however, was about to begin changing.

It was just about that same time that O’Neal’s Nashville District had begun exploring the possibilities of expanding its market share through the sale of bent and processed tubing. “Bay 4 at the Nashville warehouse was not being fully utilized, so we had available space,” said Nashville General Manager **C.T. Thurman**. “The geographic area we served was small, so we knew we’d have to add services, extend our reach, or both to grow our customer base. And the subject of tube processing was fresh on my mind because of the Waterloo purchase, as well as a presentation I’d attended on tube processing by Gene and members of the Corporate Tubing Department at a General Managers’ meeting.”

As luck would have it, the Nashville District had recently obtained a processing contract, which included two bent-tubing items – both of which were initially outsourced to an out-of-state processor. “It didn’t take long to figure out that, instead of jobbing projects out, we could be doing the

Just a few of the many places you can find O’Neal’s processed tubing include cars, trucks, golf carts, playground equipment, display racks, trailers, and air conditioning systems.





**The Tube Processing Center's capabilities include:**

- CNC tube bending
- CNC tube rolling
- CNC drilling/machining
- High-speed cutting
- End forming
- Stamping/Piercing
- Welding
- Powder coating

# The Nashville area's central location makes for fast and efficient shipping of customer orders nationwide.

processing ourselves, do an even better job for our customers at a competitive price, and deliver faster service,” said C.T. So he made his case to **Bill Jones**, then Executive Vice President (now President & CEO), about purchasing a small manual compression bender. The request was approved, and that gave the district a small platform on which to develop other accounts.

The next step was active pursuit of prospective customers. Working in cooperation with Gene and a team from O’Neal-Waterloo, the Nashville sales group (led then by **Jerry Roberts**, now General Manager of O’Neal-Mobile) went after and obtained the business of a major account that had been under contract with one of O’Neal’s main competitors for more than 25 years! The only problem was that the Nashville District’s equipment was too small to handle the job, so the work had to initially be sent to Waterloo. “We worked through those early issues and I’m proud to say we still have that business today,” said C.T. “We got a major credibility boost early in the relationship when our Production Supervisor **Ronnie Miller** developed a part that had seven bends in it. I don’t know how he did it with no technical support, but he did. And I think that proved to the customer that we were a very capable supplier.”

In order for the Nashville District to really develop a new line of business, however, it needed more tools. C.T., with the help of **Bob Shortridge**, Nashville Account Manager, put a pro forma proposal together for the purchase of a CNC (computer numerically controlled) bender to accommodate more tube processing growth and provide service to other O’Neal districts as needed. The proposal was approved by **Max DeJonge**, who was O’Neal’s President at that time. The machine was selected, installed, and aggressive prospecting and selling took off.

One of the first major contracts came by way of **Marvin Clary**, Outside Sales in the Greenville area. The project involved tube bending, flattening, and drilling parts used in the production of golf carts. In terms of volume, Nashville’s Bay 4 operation went from almost no production to three truckloads per week in less than a month. That was in 1998,

and the Tube Processing Center is still servicing the same customer today. It was also around that time that the NFL’s Houston Oilers made public their intent to move to Nashville. The location that the team decided on for a new stadium was only a few blocks from the Nashville plant. So C.T. started to look for property in Middle Tennessee, just in case relocation might be in the district’s future.

All of this roughly coincided with a market study supervised by O’Neal’s Purchasing Department and based on information gathered from 13 O’Neal districts. The purpose of the study was to determine the feasibility of establishing







The ISO 9001:2000-registered facility processes carbon, stainless, and aluminum tubing from as small as 1/8" in diameter up to 5".



a freestanding facility totally dedicated to tube processing. Dozens of solid prospects were identified in the research. The potential volume of work and revenue represented by those prospects was analyzed. And the data revealed that there was a very significant amount of business to be gained. Based on the Nashville operation's pioneering spirit and efforts, as well as the expertise and business it was quickly developing, C.T. requested that the dedicated facility be located there. O'Neal's Executive Committee agreed. And C.T.'s search for a building site continued, but it wasn't "just in case" anymore; he was looking for what would become home to O'Neal's new Tube Processing Center.

Nashville has proven to be an outstanding location for the venture. It's geographically centered among the eastern states, and most major cities are easily accessible. The area is serviced by an excellent interstate network and many LTL carriers, so it's a good connecting point to the southeastern and mid-western states. After a lengthy search, a 13.5-acre site in a business park in the town of Lebanon, about 20 miles from downtown Nashville, was selected. In 2000, after six months of construction and preparation, the new facility officially opened with 24 employees. Tube processing at O'Neal had come a long way in a short time.

While the Lebanon plant was still in the early stages of getting up and running, **Terry Taft**, who was then Executive Vice President (now President of O'Neal subsidiary Metalwest), suggested to Gene, who was still in Waterloo, that he call C.T. to discuss how he might help. One thing led to another, and Gene moved to Tennessee in 2000 as the facility's Sales Manager. In 2003, he became Assistant District Manager. And, after five years in that position, he was recently named General Manager.

Today's Tube Processing Center has approximately 34,000 square feet of production floor space and another 4,000 square feet of new office space. Available acreage allows for potential expansion up to four times the size of the current operation, but the original building has handled growth very well.

Gene said, "In 2000, the Tube Center had three CNC benders, a couple of saws, and a press. By the end of 2007, we had eight CNC benders, six presses, and numerous saws, as well as end-finishing equipment." We can handle tubing from as small as 1/8" in diameter up to 5". We process carbon, stainless, and aluminum tubing. And the markets we serve include automotive, construction, recreational, heating/cooling, agricultural, and steel fabricators. We ship to customers all over the continental United States, as well as Canada and Mexico." And, as originally conceived, the ISO 9001:2000-registered facility also supports the tube-processing needs of any and all O'Neal districts.

Sales at the Tube Processing Center have increased every year since opening, which is impressive under any circumstances. But Gene pointed out that in 2000, there were 53 employees. Today there are 41. "Being able to do more work year after year with fewer people is indicative of an incredibly dedicated workforce, combined with ongoing improvements in equipment and processes and Lean efforts throughout the plant and office," he said.

"The Tube Center is poised for continued growth," said Gene. "We have the equipment, the room to grow, aggressive three and five-year plans, and people who bend over backwards to do the best possible job for every customer.

For more information on O'Neal's Tube Processing Center and its extensive capabilities, please visit [www.onealsteel.com](http://www.onealsteel.com) or e-mail [tubeprocessing@onealsteel.com](mailto:tubeprocessing@onealsteel.com). 📍