



CATAPULT

Service center network expands product line and expertise, and wins tons of new business through digitalization

BY CORINNA PETRY

When **Mill Steel Co.**, a carbon steel flat-rolled processor and distributor, invested \$40 million to acquire **Cleveland Metal Exchange** in January, it had a primary goal in mind: Expand its product line into stainless steel and aluminum and absorb the expertise of CME's team. The two ownership teams hit it off immediately, according to Mill Steel CEO Pam Heglund. Nearly all of CME's associates remain in place after the merger.

Mill Steel's automotive customers "had asked us to carry stainless and aluminum for years. It was a goal of mine to enter that space. We have well over 300 automotive customers, and at least 40 percent of them use stainless and/or aluminum but, historically, we did not quote that business. By having this expertise with CME, we can source and quote those

needs." Single-supplier sourcing "streamlines purchasing for our customers," Heglund says.

CME's customers benefit from Mill Steel's size and domestic sourcing power while Mill Steel benefits from CME's extensive offshore mill relationships. "We are now active with all the stainless and aluminum mills in the country."

This expansion keeps pace with the company's continued growth over the last 10 years, from doing \$400 million in average revenue to reporting over \$1.65 billion in 2022. Integration of the two companies is going well, says Heglund, "because we share the same culture and values."

TEACHING CULTURE

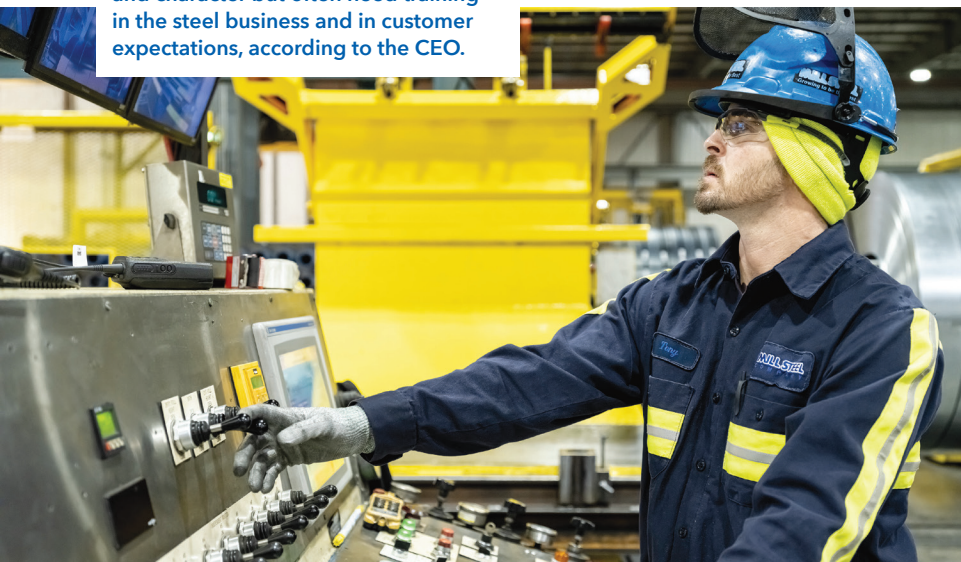
Like so many others in the industrial space—even in states like Michigan with access to skilled labor—it's difficult to find the right people for complex jobs.

"We have faced some challenges with hiring and training since the pandemic," Heglund says. "Things have gotten better but this is something we are still working on.

"We have new associates at all of our



Mill Steel Co. has new associates at all of its locations who have great skills and character but often need training in the steel business and in customer expectations, according to the CEO.



STOCKING PROGRAMS

PEER TO PEER

Within its extensive customer base, Mill Steel sells to other service centers. “I think highly of our competitors,” Mill Steel Co. CEO Pam Heglund says. “We stock a lot of carbon, stainless and aluminum flat-rolled material in all our facilities so we are able to support competitors with coils.

“We put quite a bit of capital into that inventory, which might seem speculative,” she says, “but we leverage our 20 years of rapid response orders to forecast the stocking plan in hot-rolled, cold-rolled and coated sheet.”

All that inventory is available on the Mill Steel App, “with full chemistry and mechanical properties, all fully tested in our in-house labs. We have certified labs in every facility,” Heglund remarks.

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PAM HEGLUND, MILL STEEL CO.



Processed strip is one of the many flat-rolled products that Mill Steel delivers.

facilities across North America,” she says. (Mill Steel operates in Grand Rapids and Detroit, Michigan; Cleveland and Mansfield, Ohio; Jeffersonville, Indiana; Birmingham, Alabama; and Houston.)

“Training the Mill Steel culture and building camaraderie takes time,” Heglund explains. “They have great skills and character, but we have to teach them the business and Mill Steel’s customer experience expectations.”

Culture is a pillar in the company’s success. The late David Samrick, Mill Steel’s previous CEO and Heglund’s uncle, fostered the culture during his 50-plus years with the company. His legacy of hiring talented individuals and equipping them with the tools to succeed remains. Heglund has built on that through her own leadership team—a tight-knit group of five



The late David Samrick with his niece and successor, CEO Pam Heglund, who has transformed the company through acquisitions and modernization efforts.

executives who have worked together for over 20 years, and 12 directors with an average tenure of 12 years. “They do a phenomenal job training and leading—it’s actually quite rare to have such an aligned and experienced group at that level,” Heglund says.

Generally, communication is key to both staffing and training, she says. “No matter how much we talk, we need more dialogue with each other. It helps create a shared vision across the company, and being open and honest is our culture.”

TEAM BUILDING

“The mindset throughout our organization is the team does whatever it takes to ensure the customer has the best experience dealing with us. Every day, we process ‘hot’ orders within several hours to fulfill customers needs,” according to Heglund.

“Our production schedules are flexible enough to prioritize rush orders. We can deliver around the clock. That is one of the biggest demands from our customers in all end-use sectors,” she notes.

Nearly 20 years ago, Mill Steel created a Rapid Response team. “This is a ready resource for all our customers. We win a lot of business through that. It’s all spot buys and quick turnarounds at a fair market price.”

The service is fully staffed 24/7 to guarantee a quote within the hour of inquiry and expedited same-day shipments,” Heglund says. “That has been an avenue to reach a lot of new customers. If we prove we can deliver on time with good quality, it builds trust. We can then extend those relationships into contractual work.”



A Mill Steel worker measures the gauge of slit material.

DIGITAL STRATEGY

Mill Steel launched its digital transformation in 2018. Heglund studied the Amazon business model and said to her team, “we should do that.” The steel industry is quite antiquated when it comes to digitalization,” she says. “We want to provide one user-friendly experience and get customers to come back and use it for every order.”

Discussions began at one of Mill Steel’s executive retreats, where it was decided that instead spending millions of dollars on outside experts to build an e-commerce app, the company would hire six developers to work in house.

“The first task was to create a customer interface using back-end data like order history, shipments, forecasts, etc. In 2020, we



Left, Mill Steel headquarters in Grand Rapids, Michigan. Right, every Mill Steel location has its own certified testing laboratory.



first launched an e-commerce web app for our painted steel customers.”

New and existing customers can use the Mill Steel App to buy steel and aluminum, with the option to select their preferred delivery method. “It’s a seamless process to shop online with us. For current customers that have already had their credit run through our system, it’s as simple as creating an account,” Heglund says. “They are just adding coils to their ‘truck’ [like Amazon’s cart]. They will get a delivery date or can indicate that they’ll pick it up at our facility.”

A guest (new customer) can request credit and, when approved—“on the same day”—can begin ordering. “Our credit team is pretty swift and they are customer friendly. Their goal is not to prevent sales,” Heglund comments.

In 2022, Mill Steel expanded its online inventory to include 40,000 tons of unprocessed master coils. Right now, that “store” is bringing in \$1 million to \$2 million in revenues per week, Heglund reports.

ADDICTION (THE GOOD KIND)

“We launched the Mill Steel App at MetalCon,” around which the company “did

“IT’S A SEAMLESS PROCESS TO SHOP ONLINE WITH US.”

**PAM HEGLUND,
MILL STEEL CO.**

some creative marketing to encourage the use of the technology. Once customers download the app, they become addicted. They love the efficiency it creates in their lives,” Heglund says.

She notes that the sales team might “have to take the time to help customers create an account. Once they do it, it goes smoothly.” At the end of July, Mill Steel launched its stainless and aluminum inventory online, too.

In addition, the company just purchased a 90,000-square-foot metal processing facility in Mansfield, Ohio, including two slitters (60-inch and 72-inch-wide) that were in the plant. Mill Steel plans to install a cut-to-length line in the near future.

“We are in the same office park as Cleveland-Cliffs’ stainless facility. The sourcing is perfect,” Heglund says. The Mansfield

facility will serve Midwest customers as a main processing site for stainless and aluminum, along with its carbon steel customers.

NO HEADACHES

Mill Steel has a technical support team made up of engineers and metallurgists, who address making parts, sourcing material, dealing with tricky applications, and provide consulting.

“We have a no-headache startup process,” says Heglund. This is a team of experts from every area of order fulfillment that “ensures we onboard new customers or new program awards. We send the support team to review the part and the operation so when we take on the new business, the material is sourced seamlessly.”

Heglund says she expects Mill Steel will continue to grow—through acquisitions, products and services, and teamwork. “I believe the addition of CME catapults us into being one of the top 10 service centers in North America. We are certainly on our way.” ■

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