



# CONNECTING THE DOTS

Supplier/manufacturing juggernaut's divisions work together to bring value to customers across products, geography, service needs

BY CORINNA PETRY

From its base in Birmingham, Alabama, O'Neal Industries (ONI) is a household name in the service center industry. It's gigantic, with tentacles across North America and locations from Singapore to Southampton, but as a family owned enterprise, it remains devoted to a culture of honest, highly competent dealings, friendly assistance and long-term relationships.

Norm Browning, ONI's vice president of business development, works as a liaison to all sales, manufacturing and customer service teams. He explains the company's structure and how it works.

Each affiliate has its own operating network. But "integration" or collaboration starts from the top, says Browning. "Executive leadership expects affiliates to work together if—across the enterprise—we can add value to a customer's supply chain. It starts there, with the goals and objectives. We do that either by passing along opportunities that may not be a fit for one affiliate but the sales lead can work for another affiliate. That's when teams reach across and introduce accounts to use the services of other divisions."

As the O'Neal family of companies has grown organically and by acquisitions, thereby diversifying its portfolio, it has

helped its customers to grow by diversifying what they can offer downstream.

As a result, its customers "are buying a wider range of materials. We can go in and be able to offer soup to nuts," Browning says. "But it takes two to tango: It has to be something the customer wants. If the customer's supply chain strategy doesn't involve aggregation or supply reduction, they may not see the value. But if they do understand we are selling widgets here and gizmos there, they will recognize the value in how we can work with them, respond, connect the dots across multiple enterprises and manage it accordingly."

Shirley Fagan, director of communications for O'Neal Industries, notes that as a privately held company, "we can make quicker decisions with less red tape to connect companies and be more responsive and innovative." There are six companies, six presidents, six CFOs, six vice presidents of sales and, although each is a large relatively autonomous operation, those executives "all know one another very well."

O'Neal has a finance council, sales and marketing council, safety council, I.T. council and human resources council. All meet with regularity and through these, leaders and rank-and-file operations managers share best practices, says Fagan.

As O'Neal makes acquisitions, it means bringing "new people into the family," says

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Browning. "You have to build their trust inside the new organization. As our companies become comfortable, we recognize their attributes, know what they do and what they don't do. That helps foster the sharing of ideas."

Browning credits the sales teams at each of the affiliates with getting the ball rolling. Each knows their peers' value proposition and is able to recognize opportunities that pop up. "They can call another commercial manager directly, or call anybody to get them engaged," Browning says. "Our commercial people are instrumental."

## Cultural strengths

At the beginning of this year, O'Neal merged four separate companies into United Performance Metals, so it went



**The O’Neal Flat Rolled Metals warehouse (above) is one of the resources that any O’Neal Industries affiliate can tap for inventory.**

from 10 affiliates to six. “Each of the four UPM companies acclimated into one culture,” Fagan says. But when seeking out acquisition targets, “our executive leadership looks for companies with a similar culture. So it’s not that challenging.”

Certainly, there are slight differences in culture within each division, says Browning, “but they fit within the guardrail of ONI. We have our vision, mission and values and those aren’t compromised.”

The key is to communicate well across the platforms. “The family owned part

makes a difference,” he continues. “Leeco Steel and TW Metals were both sold by equity investors, who couldn’t focus on the long term because they worried more about day-to-day results. We can take a much longer view.”

That tactic also helps customer relationships. Giant OEMs like General Electric, for example, which is extremely diverse and has a wide range of consuming industries to supply, counts on its vendors to be diverse and service several divisions at once.

Even a mid-size company can require diversity from its suppliers because it’s building everything from wind towers and propane tanks to truck trailers and construction equipment, says Browning.

“Our operating company presidents are

urging their people to ‘let’s get an affiliate in there’ so everyone is collaborating.” By doing so, “maybe we reach a customer that is new, or we go back to an existing customer and talk about how we can solve some of their supply chain problems, or make an introduction.”

According to Fagan, Browning hosts “mixers” in cities where multiple ONI affiliates operate, most recently in Cincinnati (folks from nearby Indianapolis attend, too). “So he’ll bring together the sales managers and outside sales reps who get to know each other. It almost always ends up at a microbrewery!” she says.

When people come together, they naturally talk about their work, their markets and customers and, in person, they tend to arrive at a “more granular level of under-

standing,” says Browning.

“There is no blueprint for how this gets managed and executed. Each customer’s objectives, their reach, their products are different but, in a lot of cases, you have strategic relationship management, with tactical people buying material and tactical people selling solutions.”

O’Neal educates its commercial team as to which affiliate offers what, and how to use one another as a resource. Cross selling is not required because holding on to one’s niche expertise has intrinsic value. “There is no expectation to sell something you aren’t familiar with. We don’t want someone who sells carbon steel bar trying to sell titanium, but if that person tells a customer, ‘UPM sells titanium,’ we will get UPM involved and bring in the expertise from the company that knows how to do that. We solve customer problems, and they want to talk about it.”

## Defense plays

One of O’Neal Industries’ affiliates, Exton, Pennsylvania-based TW Metals, has possibly the greatest footprint with locations across Europe and Asia as well as the Americas.

“We deal with Department of Defense and the Defense Logistics Agency (DLA) in Philadelphia and all the order activity for reset, repair and maintenance,” says Pat Able, general manager for TW Metals’ Government Business Unit.

Material requirements vary from fixing airplanes and Patriot missiles to Mine Resistant Ambush Protected vehicles and Humvees, he says. Although TW Metals can supply most standard aerospace and military grades, “a lot of product under contract is not germane to TW, so armored plate might come from another company, like Leeco.

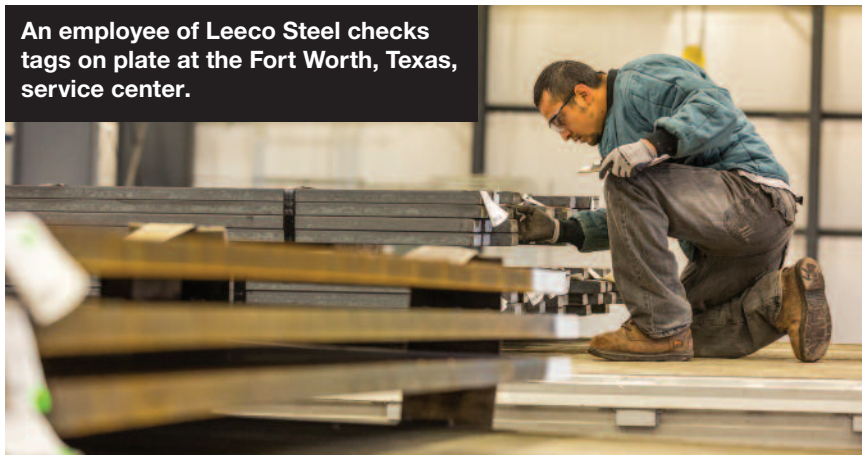
“We may need some structural angles, channels and bigger carbon pieces that aren’t in TW’s wheelhouse but with the help of O’Neal Steel, we fulfill the order and ship it to, say, the Army Corps of Engineers.

“There is not a configuration or type of metal that is *not* available across the breadth of all ONI companies. And there is a broad demand, from fixing submarines to doing infrastructure work on the Mississippi River,” Able says.

Cutting square tube is one of the many services offered at select O’Neal Industries affiliate locations.



An employee of Leeco Steel checks tags on plate at the Fort Worth, Texas, service center.



Under the DLA contracts that come up for rebidding every five years, “there is a laundry list of items” to be supplied. “We break down portions and send requirements to each sister company and ask them to organize the sources and write the bids and send it all back to DLA,” Able says. “We also utilize ONI facilities all over.” It’s cost efficient to service a national client by handling orders at facilities with the best proximity.

## Common foundation

Jeff Simons, president and CEO for O’Neal Flat Rolled (OFR) Metals, Brighton, Colorado, used to be ONI’s vice president of marketing and business development, so he already held a “deep understanding of all our products and services” before taking on his latest gig.

He’s counted numerous occasions the O’Neal Flat Rolled group has benefited from collaborating with an affiliate “and when we’ve included other affiliates into a contract we won. It can be product driven or a geographic play,” Simons says. “OFR

doesn’t have a service coverage in the Southeast, but a large customer has a plant in that area and in the West. We partnered with O’Neal Steel to supply the customer with a full range of products under contract and covered the reach we didn’t have.”

In most cases, collaboration occurs among other companies within the Industrial Metals Group, which inventories and processes standard grades of carbon and stainless steels. However, “we have worked with UPM and TW to help fill out quote requests.” Conversely, when a sister company has material in stock OFR does not carry, it brings them into the mix.

“Culture is the common foundation to be able to do this,” according to Simons. “There is a level of trust needed to work together. Some of our larger competitors tend to just compete—whoever gets the business gets the business. We are more supportive of each other.” ■

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