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## Crisis gives service centers opportunities for growth

By Corinna Petry Published: Jun 23 2009 5:115PM

CHICAGO -- At least a handful of service centers are in an expansion mode as the currently dire economic conditions are also opening the door to opportunity.

Klein Steel Service Inc., a full-line steel service center with a network of branches in upstate New York, has expanded with its relocation to a larger facility in Syracuse, N.Y., last week. The branch now operates from a 20,000-square-foot warehouse that is about 35 percent larger than the prior building, Joe Lydon, the company's general manager, said. "The space is also laid out more efficiently, allowing us to stock a wider variety of inventory," he said.

Although current economic conditions "present many challenges, it is also presenting many opportunities," John Batiste, Klein Steel's president, said, adding that the company will soon begin to provide full service to customers in and around Albany.

Klein Steel isn't the only metals comp any in an expansion mode these days.

Marmon/Keystone Corp., an international bar and tubing distributor based in Butler, Pa., said Friday it will open its new, 20,000-square-foot branch in Queretaro, Mexico, on July 1. The facility, a satellite of the Monterrey service center, is the company's third location in Mexico, according to Norman E. Gottschalk Jr., the company's president. The other satellite is in Mexico City.

"(This branch) brings us in close proximity to our customers in the heavy construction, farm equipment and mining industries, allowing for more efficient service," J.T. "Tim" Spatafore, executive vice president, said. The warehouse will carry carbon, aluminum and stainless tubular products to supply customers from Queretaro north to San Luis Potosi, he added.

Ricardo Hernandez, general manager of Mexican operations, will oversee the new service center.

Koester Metals Inc., a Defiance, Ohio-based metal fabricator and manufacturer, last week announced it will establish a new manufacturing plant in Fremont, Ind., and create up to 60 new jobs within three years.

Koester makes sheet metal enclosures and components for a variety of applications, but especially for power generation and industrial needs. It plans to build out an existing 130,000-square-foot facility in Fremont, according to project manager Matthew Koester. He expects the new plant to open later this summer.

"Koester Metals sees a great deal of potential growth by pursuing expansion in Indiana," he said, citing new and existing local supplier relationships that "will allow (us) to pursue new markets and enhance offerings with current customers." Among the opportunities Koester will pursue is "green" powder coating.

Koester will benefit from up to \$185,000 in performance-based tax credits and up to \$25,000 in job training grants through the Indiana Economic Development Corp., and could obtain property tax abatements from the county, it said.

Lastly, an Allenton, Wis., metal buildings manufacturer has acquired a roll-forming machine to manufacture steel panels from 10-ton flat-rolled coils. By acquiring the equipment, Walters Buildings will bring in-house the fabrication work that it previously outsourced.

The company unloaded its first coil shipment and started up the roll former last week, co-owner Scott Walters told the Milwaukee Journal-Sentinel.