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Service center fabricates its future

Independent company does more than simply distribute metal to thrive

By Dan Davis, Editor-in-Chief

These are interesting times in which metal service centers find themselves. Many are finding that they have to offer some level of fabricating services to help them stand out among other metal distributors. They have seen dramatic consolidation on the mill side and are wondering if the mills have a desire to own part of the supply chain, as they do in Europe, where mills own the distributors. They also have to contend with a shrinking manufacturing base in the U.S.

It doesn't sound like the most enjoyable of times, but where there is turmoil, there is also opportunity. Experienced companies recognize just that.

That's where Denman & Davis, Clifton, N.J., finds itself. The 119-year-old, family-owned service center is offering an array of services and reduced delivery times in an effort to keep family business alive for another 100 years.



▲ Denman & Davis officials call plasma-cut parts "first-stage-processed" parts to indicate the basic fabricating services it offers customers.

Changing Times, Changing Business

Denman & Davis calls itself the largest general-line, independent service center in the Northeast. The company has about 65,000 square feet of inventory and manufacturing space in Clifton, another 70,000 sq. ft. in Slatersville, R.I., and another 35,000 in Albany, N.Y. The company distributes

a variety of hot-rolled and cold-finished bars, structural shapes, sheets, and tubing, in carbon, alloy, and stainless but has discovered a fruitful niche with plate, used in pressure vessel, power generation, and processing applications. In all, the company processes about 30,000 tons of metal on an annual basis.

Its customer base has shifted somewhat over the years, as Denman & Davis has witnessed metal fabricating operations move overseas—and, actually, come back a little bit with the weak U.S. dollar. The company now finds almost 40 percent of its business is supplying steel to maintenance and repair operations (MRO) for customers in the power generation, transportation, and utility industries, customers that have gutted their own maintenance and repair teams in an effort to reduce their operating costs. Denman & Davis supplies the contracted companies that have undertaken the role of MRO support.

"We've made a concerted effort and push into focusing on support of maintenance and repair," said David Deinzer, the company CEO and president. "The infrastructure in the Northeast is huge and old."

When these contractors need a replacement piece of carbon or stainless steel at plants or on-site maintenance

projects, they call Denman & Davis to deliver the metal, usually cut to size. Because of the unpredictable nature of serving this type of business, the company keeps a large and varied inventory.

The company also offers after-hours delivery for those customers that require it. When a weekend rail accident leads to the collapse of a steel structure that supports power relay equipment, a contractor doesn't want to wait around until Monday for delivery of replacement beams.

Cutting-edge Technology

Those are not the only steps that Denman & Davis has taken to become a more valuable supplier to its customers. It's adopted cutting technology that's given it an edge over competitors.

Denman & Davis recently upgraded two of its high-definition plasma cutting torches on its MG Messer MPC2000 plasma table with two HyDefinition Hypertherm torches that will allow it to cut thicker steel and do it more efficiently. The plasma table, located in the Clifton facility, now cuts carbon steel up to 2.5 inches and stainless steel up to 1.25 in., which is an improvement over the current high-definition cutting capac-

ities—1.25 in. for carbon steel and $\frac{1}{2}$ in. for stainless steel. The new cutting technology also delivers tighter cutting tolerances and marking capabilities and increases production efficiencies by up to 30 percent, according to Dan Consiglio, Denman & Davis' director of operations.

After Sept. 11 “we were severely hurt as was the whole metropolitan area, and we were at that point at 138 employees. We dropped to 98, and it wasn't fun,” Deinzer said.

“But here we are back at 108 [employees] today doing more volume, more business,” he continued. “And part of it has to do with technology. Let's face it, technology helps get more out the door.”

Helping with efficiency in the Clifton operation are two giant 10-ft. by 65-ft. tables, one for the high-definition plasma cutting equipment and the other for HTT HySpeed plasma cutting torches, also from Hypertherm. Each plasma cutting table can accommodate up to four plasma cutting torches if necessary.

The large tables enable operators to load a 96-in. by 240-in. plate with the crane while the plasma torches do their work several feet away on the same table. When the plasma cutting equipment is done with the job, the operators remove the parts, unload the remnants, and load a new plate.

The Albany and Slatersville locations have plasma cutting capabilities as well. Deinzer said the company is considering adding high-definition cutting capabilities to the Slatersville location in the near future.

As Denman & Davis has become more experienced with the plasma cutter, the company has gotten more creative in using it. When a company requested that part numbers be etched onto plate supplied to them for barge manufacturing, Denman & Davis part designers realized they also could etch lines where welders needed to do their tack welding. The customer later told its metal supplier that the etched lines helped reduce the fit-up time for tack welding by up to a week.



▲ The new high-definition plasma torches on Denman & Davis' plasma cutting machine allow it to reach tolerances of 0.003 to 0.004 inch.



▲ Multiple cutting heads provide for a very efficient means of cutting plate.

In another instance, Denman & Davis recommended that a manufacturer of heat exchangers eliminate the drilling of holes around the perimeter of pressure vessel plates being supplied them and consider having a plasma torch cut the holes to the specified tight tolerances. The customer agreed to the change and discovered a better way of accomplishing the task.

“Again, that's where we have tried to differentiate Denman & Davis from our competition, offering that kind of value-added service,” Deinzer said. “Hopefully, we're driving cost down. That's our goal.”

It's a continuous effort for Denman & Davis. In December 2007 the company added a Hyd-Mech V-18

automated program control band saw capable of cutting 18-in. hot-rolled material to bolster its sawing capabilities. The saw comes with computer controls capable of storing up to 99 different jobs; an extended head that can expand to cut up to 29-in. metal; and a 6-degree tilted head to help extend blade life and deliver quicker cuts. A 52-in. conveyor will feed the saw, and a single technician will oversee the entire operation.

If a company needs other services, Denman & Davis reaches out to its network of subcontractors. These shops form and roll, Blanchard-grind, thermal-treat, waterjet-cut, laser-cut, grind, and polish material as it's needed.

If you think Denman & Davis might be making the local fabricating base angry by offering these fabricating services, think again.

“Periodically that comes up, but today we’ve had so much consolidation, again on the fabricator’s side, the survivors realize it’s a global market. Everybody’s going to do what economically makes sense to do,” Deinzer said.

Going the Extra Mile

Despite the talk of fabricating services, a service center is only as good as the on-time deliveries it makes. For Denman & Davis, that’s pretty good.

If it’s a straight stock pull, material deliveries are usually done next day. If it’s an order for a bar, plate, structural shape, or tube with some sort of first-stage fabricating done to it, the delivery might take two days. Typical delivery times for large orders that require some sort of fabricating usually run five to seven days.

Customers in need of emergency service are given a phone number that guarantees 24/7 feedback. This is typical of the MRO customers that can’t schedule accidents or production problems.

Thirteen delivery trucks, spread over the three facilities, assist with the deliveries. Denman & Davis recently has found great success in serving the Maine market by hiring a driver who lives in the state. Trucks that left the Rhode Island facility in the morning couldn’t make all of the deliveries to Maine in one day. Now the Maine-based driver shows up at the Rhode Island facility in the morning, makes

deliveries in the lower part of the state in the afternoon, goes home for the evening, and finishes up the next day with deliveries in northern Maine.

“So most of Maine now gets two-day delivery,” Deinzer said.

Denman & Davis is looking at developing a similar type of relationship with a Long Island-based driver to serve that congested market.

Similar Plans to Be Different

The service center is continuing its efforts to be as different as possible from competitors. It’s mandatory. That’s life as an independent.

Denman & Davis has rolled out an online ordering system that’s turning around customers’ requests for quotes in minutes (see sidebar “Just-in-time Ordering”). The company looks at stocking specialty steels, such as aircraft-quality plate, to serve niche customers. And the management team is keeping an eye on new technologies—perhaps a laser cutting machine—that can offer customers something different while at the same time assist in keeping production costs down.

“We have to make sure that we’re going in the right direction and have the right focus to remain independent if that’s what we elect to do, which at this point we have,” Deinzer said.

In these interesting times, that’s a decision not too many other service centers are making. Of course, after 100 years, Denman & Davis might be a little stubborn. ■



▲ Denman & Davis serves customers in industries as diverse as power generation and barge building. These plasma-cut gears are destined for a clothing-handling system designed for dry cleaning shops.

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