MARLIN STEEL WIRE PRODUCTS LLC

Against All Odds

By William Atkinson

In 1998, Drew Greenblatt bought Marlin Steel Wire Products LLC, when it was a small maker of bagel baskets. Today, Greenblatt is CEO of the Baltimore-based company, and he has grown revenue six-fold. Marlin has set profit and revenue records for the past six years, despite the recession. The company's sales grew more than 20 percent in 2011.

The company imports nothing. It exports baskets and sheet metal fabrications to 35 countries, including Australia, China and Japan.

In 2007, Marlin Steel Wire Products was awarded Regional Employer of the Year from Baltimore City & Baltimore County, and in 2012, the company was recognized as one of the Inner City 100 Fastest Growing Companies in the United States.

What has it taken for the company to succeed against the considerable odds of the recession? Several key factors to success are at play, the most important of which is the company's mantra — QEQ (Quality, Engineered Quick).

"Companies need to identify what really impresses clients today," Greenblatt said. "For us, it is QEQ. We want to have the best quality parts, the best engineered content of any company and the ability to ship quicker than anyone else in the world."

He has found that by offering these three things to clients, the company has continued to achieve success. In fact, Greenblatt, QEQ is what has enabled the company to grow even during the recession.

Beyond QEQ, five specific strategies continue to guide the company year after year:

1. Focus on Engineering Excellence. “More than 20 percent of our employees are mechanical engineers,” Greenblatt said. “We use engineering as a way to differentiate ourselves from our competition. In other words, we aren’t just another commodity manufacturer; we offer innovative solutions.” This makes the company more valuable to its clients because it is solving their problems. “We become an integral part of their supply chain rather than someone they can beat up on pricing,” he added.

For example, engineers in the company continually look for innovations in order to save clients money, such as improving throughput with engineered wire baskets and custom sheet metal fabrications. The engineers also provide state-of-the-art, computer-driven stress analysis so that clients have the confidence knowing that their designs will withstand the rigors of their applications.

2. Invest in Technology. “Another reason we have been successful is that we have made massive investments in capital expenditures,” Greenblatt said. For example, in the face of global economic challenges, the company invested more than $3 million in robotics in a quest for quality and speed. In the past two years, the company’s investment in technology has been more than 15 percent of revenue. “This is another way we differentiate ourselves from our competition,” he said. “We want our people to have the best tools available so that we can ship higher quality parts with tighter tolerances. The technology also allows us to ship faster.” This has allowed the company to win many jobs that its competition can’t win.

3. Recruit/Develop/Support the Workforce. “Our people are our most important asset,” Greenblatt said. “While most companies look at employees as a variable cost, we look at them as a fixed cost.” The company spends 5 percent of its direct labor budget on training so that the employees are well versed in their crafts. “This allows them to come up with better ideas than our competition,” he said. “In addition, they know how to use technology better than our competition. Employees also like to work in an environment where they know that they are valued, which makes them more loyal and dedicated to us.”

4. Institute Lean Manufacturing Practices. The company embraces the Toyota Productions System (TPS), which enables it to focus on what clients really care about — a good quality part on the right day. “By getting rid of all kinds of waste in material handling, inventory and other areas, we are able to ship better parts and faster,” Greenblatt said.

5. Use the 80/20 principle. As Greenblatt sees it, many companies focus on revenue and disregard profit. “Revenue does not generate the cash that you need to invest in new equipment, to invest in employees or to create a new marketing campaign,” he said. “It is important to focus on profit.” Companies should be aggressive in identifying the 20 percent of their clients that generate 80 percent of their profits, and focus on building a business model that helps to “coddle and nurture” that really valuable 20 percent, Greenblatt said. “These are the clients that will help protect you from the storms of a recession.”