

Tool Steel Rebounds • Concast Offers Wrought Bronze • Third-Quarter Financial Reports



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# Metal Center News

SOLUTIONS FOR PROFITABLE DISTRIBUTION

50<sup>TH</sup>  
ANNIVERSARY

## Carbon Flat-Roll Outlook PRICE VOLATILITY BLURS DEMAND

Service Centers  
Rate the Mills  
in the Latest  
Jacobson Survey



Jacobson & Associates conducts a continuous census survey of steel mill customers, asking them to rate each mill on key attributes including quality, service, price, on-time delivery and overall satisfaction. Steel buyers report a wide variation in their satisfaction with steel mills' websites. Indeed, the functionality and ease of use of a mill's site can influence a service center's buying decisions.

In its latest survey, Jacobson & Associates gathered comments from numerous steel buyers with strong opinions about online customer service. Following are a few examples:

- "Mill websites need to be intuitive, clear and easily accessible."
- "I would like online access to real time inventory, pricing and order status with faster processing speed."
- "Mill websites are very important for access to order status and the ability to download documents, such as invoices, packing lists and mill test reports."
- "I need online access to material ready for shipment, rolling capabilities and lead times."
- "I appreciate being able to find price sheets without having to wait for a salesman to get back to me."
- "One supplier's new site is very slow. It takes six to eight clicks to get one line of info through a drop-down menu. Before, I was able to quickly get a PDF file with all types of product info and have it in front of me all day."
- "Mills need to improve on providing accurate information and accessible documents."
- "Websites are where mills need the most improvement."

#### Leadership characteristics

As seen in Chart 1, mills rated highest in overall customer satisfaction in their respective product categories were: North Star BlueScope, SSAB North American, CMC Steel Texas, Nucor Berkeley Beams, Allegheny Ludlum, Nucor Nebraska and Nucor Connecticut.

While each segment of the steel industry has its own set of competitive dynamics, customer satisfaction leaders display some common characteristics. When describing the leaders, mill customers often pointed to their dependability, quality, reliability, helpfulness, service orientation and product availability. Universally, customers want to buy from "good people who are easy to do business with." Following are some specific customer comments about each of the industry segment leaders:

#### **Steel Sheet Leader—North Star BlueScope:**

- "North Star BlueScope is our major supplier due to quality, delivery, price—everything. NSB is the best of the best."

#### CHART 1

### The Leaders

#### Top Rated Mills in Customer Satisfaction by Category

**Sheet** – North Star BlueScope  
**Plate** – SSAB North American  
**Bar/Structurals** – CMC Steel Texas  
**Beams** – Nucor Berkeley Beams  
**Stainless Sheet** – Allegheny Ludlum  
**SBQ** – Nucor Nebraska  
**Rod** – Nucor Connecticut

*Source: Jacobson & Associates, based on survey data for the 12 months ending Sept. 30, 2011.*

#### CHART 2

### E-commerce

#### Top Rated Mills in Customer Satisfaction of Websites

**Best Sheet Mill:** USS-POSCO Industries – 8.59  
**Sheet Mill Average** – 7.47  
**Worst Sheet Mill** – 5.31

**Best Plate Mill:** Evraz Oregon – 7.45  
**Plate Mill Average** – 6.53  
**Worst Plate Mill** – 5.97

**Best Stainless Sheet Mill:** Allegheny Ludlum – 7.97  
**Stainless Sheet Average** – 7.22  
**Worst Stainless Sheet Mill** – 6.03

**Best Beam Mill:** Nucor Yamato – 8.42  
**Beam Mill Average** – 8.11  
**Worst Beam Mill** – 7.52

*Note: Satisfaction rates are based on a 10-point scale, where 10 is "very satisfied" and 1 is "very dissatisfied." Data is for the 12 months ending Sept. 30, 2011.*

▲ Websites and online access to information have become increasingly important to steel buyers. Ease of doing business electronically is now a key component of what successful steel mills offer their customers. The latest Jacobson Survey suggests that beam mills have higher e-commerce customer satisfaction than sheet, plate and stainless steel mills.



- "On-time delivery performance and reliability are strengths for North Star BlueScope, while product development is a key weakness."
- "North Star BlueScope's on-time delivery is great, with good gauge control on coils, and they have good tech support."
- "North Star BlueScope is aggressive, especially with their technology."

**Plate Leader—SSAB North American:**

- "SSAB is very solid and customer-oriented."
- "SSAB is consistent; very few surprises there."
- "SSAB has high quality, but their ordering parameters are more difficult than other mills."

- "SSAB's strength is their great product and the willingness of their people to be helpful. Weakness is all the rules and restrictions."
- "SSAB is open to new ways of processing steel for us."

**Bar/Structurals Leader—CMC Steel Texas:**

- "CMC Texas is aggressive. Their strengths are customer service and availability. We have a good rapport with their inside and outside salespeople, and their prices are competitive."
- "CMC is our major supplier based on their overall performance: deliveries, availability, sales reps and flexibility of rollings."
- "CMC has good, honest people. They go out of their way to help us."

**CHART 3**

**Most Improved Mills**

**Overall Customer Satisfaction by Product Category**

**Sheet Producers**

USS Gary  
ArcelorMittal Riverdale  
USS Granite City  
ArcelorMittal Indiana Harbor  
The Techs  
ArcelorMittal Burns Harbor  
USS Fairfield  
Nucor Crawfordsville  
Gallatin  
Nucor Arkansas  
Steel Dynamics  
Severstal Dearborn  
Imports  
North Star BlueScope  
ArcelorMittal Cleveland  
USS Midwest  
Worthington Steel  
Essar Algoma  
RG Warren  
USS Great Lakes

**SBQ Producers**

Nucor Memphis  
ArcelorMittal SBQ  
Nucor Nebraska SBQ  
Gerdau Midlothian SBQ

**Bar/Structurals Producers**

Nucor Connecticut Rebar  
Nucor Seattle  
CMC Steel Alabama  
CMC Steel South Carolina  
Nucor Birmingham  
Gerdau Wilton  
Gerdau Whitby  
CMC Steel Texas  
ArcelorMittal Laplace  
Cascade Steel  
Nucor Jackson  
Gerdau Cambridge  
Nucor Kankakee  
Gerdau Calvert City

**Plate Producers**

Essar Algoma Plate  
Evraz Oregon  
SSAB North American

**Rod Producers**

Nucor Connecticut  
Ivaco  
Charter Steel

Source: Jacobson & Associates, based on survey data for the 12 months ending Sept. 30, 2011.

**Beams Leader—Nucor Berkeley Beams:**

- "Nucor Berkeley Beams has great service and people. They are easy to deal with, have on-time shipments and competitive pricing."
- "Nucor Berkeley is dependable. Their strength is material availability, while information on their website is their weakness."
- "Nucor Berkeley is quick to ship; they have good floor stock."
- "Nucor Berkeley is helpful, with good follow-up."

**Stainless Sheet Leader—Allegheny Ludlum:**

- "Allegheny is our major supplier. They are the most competitive and willing to enter into partnerships."
- "Allegheny Ludlum is easy to do business with. They have made great improvement through lean manufacturing, but could be a little more organized on the shipping side."
- "Allegheny has a good website; I am able to see the status of my order, and the information is accurate."
- "Allegheny is our major supplier due to their ingenuity on new and unique grades. Allegheny is a quality, high-class mill."
- "Allegheny has high-integrity people."



CHART 4

## Overall Customer Satisfaction

## Top Sheet Mills

## As Rated by End-User Customers

The Techs  
Nucor Decatur  
USS-POSCO Industries  
Nucor Crawfordsville  
Gallatin  
North Star BlueScope  
AK Steel  
Nucor Berkeley  
Steel Dynamics  
I/N Tek & Kote

## As Rated by Service Center Customers

North Star BlueScope  
Gallatin  
USS-POSCO Industries  
Nucor Decatur  
Nucor Crawfordsville  
Severstal Columbus  
Imports  
Steel Dynamics  
The Techs  
Nucor Arkansas

## Top Plate Mills

## As Rated by End-User Customers

Evrz Oregon  
Nucor Plate  
SSAB North American

## As Rated By Service Center Customers

SSAB North American  
Evrz Oregon  
Nucor Plate  
Evrz Canada

## Top Specialty Steels Mills

## As Rated by End-User Customers

AK Specialty Steels

## As Rated By Service Center Customers

Allegheny Ludlum  
North American Stainless

## Top Beam Mills

## As Rated by End-User Customers

Nucor Berkeley Beams  
Gerdau Midlothian Beams

## As Rated By Service Center Customers

Nucor Berkeley Beams  
Nucor Yamato  
Gerdau Cartersville

## Top Bar/Structural Mills

## As Rated by End-User Customers

CMC Steel Texas  
Gerdau Jackson  
Nucor Birmingham  
Nucor Jackson  
Nucor Seattle  
Nucor Texas  
Nucor South Carolina  
CMC Steel Alabama

## As Rated By Service Center Customers

SDI Roanoke Bar  
Nucor Utah  
Nucor Seattle  
CMC Steel Texas  
Gerdau Wilton  
Nucor Auburn  
Nucor Kankakee  
CMC Steel Alabama

Source: Jacobson & Associates. Data is for the 12 months ending Sept. 30, 2011. Customers use a 10-point scale to measure their level of satisfaction with supplier quality, price, service and overall performance, where 10 is "very satisfied" and 1 is "very dissatisfied."

▲ All the mills in Chart 4 were ranked highest in overall customer satisfaction in their respective product category.

**SBQ Leader—Nucor Nebraska:**

- "Nucor Norfolk is reliable; they are the market leader."
- "Nucor Norfolk's strength is offering most sizes."
- "Nucor is aggressive, with good people, and yet they price sensibly."
- "Nucor Nebraska is a major supplier due to quality and consistent deliveries."

**Rod Leader—Nucor Connecticut:**

- "Nucor Connecticut has excellent quality and good customer service."
- "I like the people at Nucor Connecticut."
- "Nucor is dependable. It is very rare that they miss something."

The traits that make for a good leader seem simple, yet making them part of the corporate culture is a challenge that separates one competitor from another. ■

## Methodology

Jacobson & Associates conducts a continuous census survey of more than 2,000 major steel customers in the United States and Canada, including service centers and end-users. The Jacobson Survey stands as an objective third-party measure of steel customers' satisfaction with their mill suppliers. Customers use a 10-point scale to indicate their level of satisfaction with supplier quality, delivery, price, service, inside sales, outside sales and overall performance. Jacobson produces separate reports on sheet producers, plate producers, minimill producers, stainless sheet producers, bar producers and beam producers. This article is based on survey data for the 12 months ending Sept. 30, 2011. ■

John Jacobson is president of Jacobson & Associates. For additional information on Jacobson & Associates, visit [www.jacobson-steel.com](http://www.jacobson-steel.com), call 847-735-7250, or email [jej@jacobsonsteel.com](mailto:jej@jacobsonsteel.com).