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SOLUTIONS FOR PROFITABLE DISTRIBUTION

A photograph of Gary Stein, a man in a dark suit and striped tie, smiling and leaning on a stack of steel beams in a large industrial facility. The background shows a steel mill with various equipment and workers.

**2008
Service
Center
Executive
of the
Year**

**Gary
Stein**
Triple-S Steel
Supply Co.

**METAL CENTER NEWS EXECUTIVE OF THE YEAR:
GARY STEIN, TRIPLE-S STEEL**

Stein Sells Steel

Triple-S Steel President Gary Stein has led a one-time retail and small-order metals business to a position among the leading distributors of structural steel in North America. His contributions to his company, his industry and his community have earned him selection as *Metal Center News'* 12th Service Center Executive of the Year.



THE THREE INITIALS behind the Triple-S Steel Supply Co. name have been the source of considerable speculation through the years. Truth be told, they stand for the three women in company founder Bruce Stein's life—his mother Sarah, his wife Shirley and his sister Sharlene.

Current President Gary Stein recalls one customer who proffered an alternate theory for the provenance of those three S's: Steins Sell Steel. "I like that one best," he says.

It's no surprise. Though Stein has driven his Houston-based company to a position among North America's largest service centers, he remains a merchant at heart. "I'm a steel salesman," Stein says. "I'm not an executive."

Metal Center News disagrees. Stein's quarter-

❏ *MCN* Service Center Executive of the Year Gary Stein stands on the bridge that connects the administrative and sales offices at Triple-S Steel's Houston headquarters.

century of leadership of his family-owned business, his unbridled enthusiasm and support of the steel industry, his reputation among suppliers, customers and other service centers and his commitment to his community have earned him selection as *MCN's* 2008 Service Center Executive of the Year.

Each year, *MCN* bestows this honor on an individual whose career and business strategies represent a model for the rest of the industry. Stein's commitment to his employees, his customers, his community and his industry are just such a blueprint for the service center sector.

The latest honoree makes no secret of his love for a steel industry that has excited him since childhood. Indeed, he awakens every morning in a steel-framed home next to his wife Tracy, an attorney whom he met at a bankruptcy auction for a steel fabricator (she outbid him).

"I love the smell of steel in the morning," he says, quoting one of his favorite lines, an homage to Robert Duvall in *Apocalypse Now*. "I love the steel business."

Apparently, it's a genetic condition.

In the blood

Stein was born into the steel industry, as was his father before him. Johnny "Dixie Red" Stein, a Russian immigrant, opened his scrap yard, Dixie Iron & Metal Co., in the early 1930s in Houston. Actually, the Steins believe many of their Russian ancestors worked as blacksmiths, so their history with metal predates their arrival in the United States.

"I tell people we've been in the steel business so long, when we stand in the rain we rust," Gary says.

Though Johnny Stein wanted his son Bruce to become a pharmacist, Bruce also had the iron-enriched blood that ran through the family veins. But the scrap business wasn't his calling, so Bruce opened a secondary steel shop on a piece of his father's property.

"We had a natural clientele because they had welders and fabricators bringing in scrap, and then they'd come buy material from me," says Bruce Stein, Gary's father, who maintains an office at the company he founded and still works most days. "I loved it. We were poor as church mice, but each day I'd make another sale and that was exciting as could be."

Slowly but surely, Bruce built up the small business, expanding and relocating to its current facility in Houston.

Though they weren't pushed, there was little doubt Gary and his brothers Bradley and David

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▶ Gary Stein has guided Triple-S from a \$4 million to a \$700 million company, but is committed to remaining a structural steel and plate specialist. (Photo by George Craig Photography, Houston)



Going the Extra Mile for Employees

IN EARLY 2008, while the nation cursed oil prices that neared \$150 per barrel and gas prices that topped \$4 per gallon, Triple-S Steel executives had decidedly mixed emotions. Escalating fuel prices were good for the steel business in Houston, the heart of oil country. Not so for Triple-S employees.

To combat his employees' hardship in the face of the company's good fortune, Triple-S instituted a gasoline rebate program. Company President Gary Stein agreed to pay his employees nine times the difference between \$3 per gallon and the monthly average as posted by the U.S. Energy Information Agency.

"We justified it by saying we were selling a lot of steel to the energy industry, so we were benefiting as a company from the high energy prices," Stein says.

At its peak, the rebate program amounted to about \$10 per employee per week (and it was a flat fee, so employees who lived close to the facility and drove more fuel-efficient cars benefited more than those who lived far away and drove SUVs).

More important than its fiscal benefit was the message of support it sent to the company's employees, who were grateful for the relief. This is just one example of the efforts the company has made to do a little something extra for its employees, its customers and the industry as a whole. Other examples include:

- A complete dedication to employee wellness. The company offers fitness equipment and workout space at nearly all of its facilities, makes trainers available to employees at its larger facilities and publishes nutrition tips periodically.

- The company pays all of its employees weekly rather than once or twice per month to help with their household cashflow.

- Triple-S offers quarterly profit sharing based on a return on assets formula that pays a bonus of up to 10 percent of what the employees earned during the quarter. Additionally, a fixed percentage is annually given to each participating employee's 401k, regardless of their own contribution.

- The company also makes its annual holiday party a family extravaganza at all its sites, including the Houston event that is expected to draw more than 1,000 employees and their families.

The Stein's holiday spirit is not just felt by employees, but by the steel industry as a whole. His father started the tradition of sending Thanksgiving cards to suppliers and customers, and Gary has taken that tradition one step further, designing a special steel-themed card each year. Triple-S formerly employed local artists to bring to life the company's vision, though now a talented hand at TS Distributors is responsible for the task. This year's card features colonial people erecting a metal building together in a takeoff on the traditional barn raising. "It's a message about how our community rallied and pulled together after the hurricane," Gary says.

Another holiday tradition is the Valentine's Day luncheon hosted by the Stein brothers' mom, Shirley Stein, who treats the accounts payable people at Triple-S's customers to food and gifts. "Our salespeople are out taking purchasing people to lunch, but who writes the checks? Accounts payable," Gary says. "This is our way of saying thank you for paying your bills."



◀ Gary Stein remains committed to Triple-S Steel's retail operation, which sells small-quantity orders to Houston's many small fabricators and other do-it-yourselfers.



David Stein handles Triple-S Steel's international and secondary steel businesses. Gary's other brother, Bradley, is no longer involved in the day-to-day operation of Triple-S Steel, splitting off the ornamental iron business unit he helped create into TS Distributors.

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would eventually join Bruce in the Stein family business. It was particularly true for his oldest son, Gary, whose first day on the job came when he was just four years old and Bruce put him in charge of answering phones. Gary showed his entrepreneurial side from the outset. Promised a dime for every call he answered, he shrewdly piled up the cash by having his grandmother dial him every few minutes. "He made more money that day than I did," Bruce recalls. Gary and his brothers continued to spend their spare time at the company, working in all capacities. There were no trips to camp or summer vacations. Free time was spent selling steel.

"They loved to work," Bruce Stein says of his three children. "And Gary, the first-born, was the leader of the pack."

Soon, he'd be leader of more than just the Stein siblings. In 1983, he graduated from the University of Texas in Austin on a Saturday and started work fulltime on a Monday. His first day on the job did not go as expected.

"On Monday afternoon, dad called all the employees together—there were 11 of us—and said, 'Gary's the president now.'"

Just like that, the freshly scrubbed 22-year-old college graduate was put in charge of the family's \$4 million business.

A quarter-century after that day, in a year his company expects to take in more than \$700 million in revenue, Gary is still a little amazed at his father's decision.

"He was 45 years old then. It wasn't like he was old and ready to give it up. But he said, 'Take the ball and run with it. If you fumble, I'll be behind you to pick it up.' He figured I would want to grow, grow, grow more than he would."

Bruce Stein remains comfortable with the unusual decision he made 25 years earlier. "There were many times it was difficult to keep my mouth shut, but to this day I don't regret it."

Getting growing

Gary Stein could have picked a better time to assume control of the company. The manufacturing landscape at the time was in ruins, with oil field companies declaring bankruptcy throughout the region. "In Houston, there was grass growing in the streets," he remembers. "It was a depression, not a recession."

But Triple-S survived and grew its business with help from others less fortunate. The company bought a substantial amount of excess inventory from oil field supply companies, fabricators and steel warehouses that were being shuttered, and was ready to grow with the city's renaissance in the 1990s.

At-a-Glance

Triple-S Steel Holdings, Inc.

(operates under: Triple-S Steel Supply, Intsel Steel Distributors, R&S Steel, Alta/Steelco)

6000 Jensen Dr.,
Houston, Texas 77026

Phone: 713-697-7105

Fax: 713-697-7335

Web site: www.sss-steel.com

Founded: 1960

Employees: 630

Key Personnel: Gary Stein, president; David Stein, executive vice president; Joe Mignogna, senior vice president and general manager, Houston; Leonard Abrams, senior vice president, finance and administration; Larry Brown, vice president and general manager, Intsel; Mike Niederkorn, vice president, purchasing; Mike Rolnick, vice president, R&S Steel division; Bob Elkington, vice president, Steelco; Kevin Dempsey, director of business development; Martha Beecher, vice president, information systems; Paul Pierantozzi and Jack Slater, vice presidents, sales; Craig Peterson, vice president, plate and marine; Paul Kruppa, vice president, operations; Mike Livergood, vice president, operations; George Dezo and Mickey Holzhaus, vice presidents and co-general managers, San Antonio.

Facilities: 8, totaling 1.8 million square feet; Houston (4 plants), San Antonio, Denver, Salt Lake City, Knoxville.

Products: Structural shapes, plate (carbon and alloy), structural tubing and pipe, hot-rolled sheet and coil, armor plate, aluminum extrusions, floor plate and sheet, ornamental components and fabrication supplies.

Services: Sawing, shearing, flame and plasma cutting, shot blasting, primer coating, press braking, plate rolling, slitting, edging and cut-to-length.



Triple-S Steel's state-of-the-art facility in San Antonio (top) received plaudits from architectural critics for its use of steel outside the building's concrete skin, which was required by code. The memory of family patriarch Johnny "Dixie Red" Stein is preserved outside Triple-S Steel's headquarters with this crane (right) from the scrap yard he founded in the 1930s still on display.



In the mid 1980s, at the urging of brother Brad, the company began to broaden its reach. The Steins believed the San Antonio market was ripe for the second Triple-S facility, a decision that proved fruitful. Within three years, the company had constructed a larger facility to meet the needs of the market.

In 1998, Triple-S Steel made its first foray outside Texas, buying Glazer Steel, which had facilities in New Orleans, La., and Knoxville, Tenn. While the primary acquisition in Louisiana was not a good fit, the company held on to the smaller branch in Knoxville, which continues to be a profitable operation.

Back home, the company was also building a larger presence in Houston. It opened a Houston South division, to be followed by another acquisition in the home city, the deal that "changed the world for us," Gary says.

Until the turn of the century, foreign players dominated the local wholesale steel landscape, as the Houston area was and remains the primary entry point for

imported steel. The distributors were mostly subsidiaries of the foreign mills and trading companies. But a new domestic player emerged in Metals USA, an aggressive acquirer with venture capital backing that gobbled up one of Houston's biggest structural steel distributors, Intsel.

When Metals USA, under its previous management team, ran into financial problems a short time later, Triple-S was again there to pick up the pieces. The company acquired most of the Texas assets—which had been renamed Metals USA Plates & Shapes Southwest—in

bankruptcy court at a fraction of the cost Metals USA paid for them.

"That was the game-changing event for Triple-S Steel. That moved us from being a retail and small-order service center to a bona fide distributor," says Gary Stein, whose management team insisted on restoring the Intsel name.

Triple-S and Intsel each had existing locations in San Antonio. In 2005, they were merged into a single, new, 200,000-square-foot facility. The architecture of the San Antonio structure, which includes steel columns outside a concrete skin, has drawn praise from the Texas Chapter of the American Institute of Architects and the American Institute for Steel Construction.

In 2005, the company again looked outside the Lone Star State, this time with more favorable results. It bought R&S Steel, a supplier of structural tubing and wide flange beam with operations in Denver and Salt Lake City. It later acquired Steelco in Salt Lake City and merged Utah operations with R&S.

Though the company has pursued other acquisitions since then, none have been completed. But Gary Stein believes the difficult market conditions in 2009 may promote merger activity. "I think this will be a year of opportunity," he says. "When we bought Intsel, it was near the bottom of the cycle."

Stein says geography won't dictate the next acquisition target as much as product mix will. "We're about structural steel and plate. We're not stainless guys. We're not aluminum guys. We're not really flat-rolled guys, though we sell a fair amount of hot-rolled and do a little slitting in our Salt Lake operation."

The key, he says, is finding the right target. "We're going to grow, but we're only going to do it when we can do it the way we want, pay prices we want to pay and, most important, find people we want to work with," he says.

Branching out

Triple-S Steel Supply Co. has grown like other major players in the service center sector, buoyed by high steel prices. The company ranked 26th among *Metal Center News'* Top 50 Service Centers of

Partnering with Customers—Literally

SERVICE CENTER EXECUTIVES routinely talk about the need to create mutually beneficial relationships with customers. Triple-S Steel President Gary Stein takes that concept beyond the talking stage.

"He's always looking for ways to create things for his customers, to make their companies profitable," says Bob Caswell, owner of Miscellaneous Specialties, a Houston company, which provides fabrication services to a number of industries. "Everything he's done has been positive from his company's standpoint and his customer's standpoint."

The ultimate example of Stein's willingness to work with customers, or potential customers, is delivered through the company's real estate business, Ferrous Industrial Properties. Through this smaller affiliate, Stein buys and sells large industrial buildings, most being used by fabricators, manufacturers or others in the steel supply chain.

The real estate division was launched in 1990, when the company acquired a building while looking for a location for another Triple-S company, ProServ Crane. Stein found a building that was larger than the operation's needs, so he renovated the building, subdivided it and leased the unused part to another tenant.

The Steins have followed that blueprint many times over, buying, refurbishing, dividing and leasing, often to folks who become customers of Triple-S. "Not all of our tenants are customers of the steel business, but it does allow us a much closer relationship. We're their landlord and their steel supplier,

hopefully their preferred steel supplier," he says.

They are the preferred supplier of Curtis Kelly. The fabrication company was looking for a larger facility, one with 50-ton cranes, and its real estate broker turned to Gary Stein for assistance. Stein knew of only one location in Houston, a facility that was too large for Curtis Kelly's needs.

"We told Gary our story, told him about the facility and our opportunity," says Carlos Hernandez, who operates Curtis Kelly. "We had to find someone who had confidence in our ability to go forward, and no one was willing to step up but Gary. Here we are, walking off the street, and within a short period of time it was a done deal."

Curtis Kelly's business has grown 500 percent since the company moved into the larger space. Triple-S Steel remains its prime supplier of steel—likely forever. "Everyone did well financially on that deal," Stein says.

But Stein isn't just looking for ways to make a few bucks in a deal. A healthy steel industry in Houston is its own reward.

When Drilling Structures International was strapped for cash a few years back, Gary Stein was there to help. Triple-S Steel extended the rig builder a healthy line of credit to get through its rough period.

"You can't build rigs without steel. He loaned us money to build the rigs. They gave us steel on credit when we didn't have the facilities to get credit," says Philip Rivera, owner of DSI. "He had enough foresight that we were going to make it—and he stood behind us."

2008 with \$550 million in 2007 sales. But Triple-S is unlike most of its fellow distribution giants in a number of significant ways.

None is more obvious than its sizable retail presence. The company maintains retail operations at its headquarters and one of its two other Houston sites, and in its Knoxville and San Antonio facilities. It's certainly uncommon for major distributors to operate such small-quantity over-the-counter sales, though it's a service Stein has no intention of giving up.

"You can walk in and buy one piece of half-inch round bar to tie up your tomato plants. Can we make a profit on a \$5 sale? No. But we will never abandon that business. It flies in the face of the consultants and the MSCI theory, but retail is our roots," Stein says.

The retail end of the business in

Houston resembles an auto parts store, though instead of wiper blades and motor oil, the shelves are stocked with forged and cast metal pieces, fasteners and welding equipment for the small fabricator. The store is open daily during regular business hours, though its busiest time of the week is Saturday from 9 a.m. to noon.

"They're lined up three deep to buy retail steel," Stein marvels. "It looks like Carnegie Deli. To see people who are knocking each other over to do business with me, that makes me feel better than selling five truckloads."

It's not just the sense of connection to his grandfather and father's businesses that keeps Triple-S involved in retail. It's an acknowledgement of the unique nature of the Houston business community.

"Houston is very entrepreneurial.

You don't need a business license in Houston. Every time a big fab shop lays off welders, three little fab shops are created. Those are the guys who drive us," Gary says.

Triple-S differentiates itself in other ways, including its numerous business holdings. Besides its eight stocking locations, the company has a hand in a number of other businesses outside the typical service center's portfolio.

It operates a small metal building components business in Houston, which stocks panel and trim products, gutter components, metal doors and more.

In the 1980s, the Stein family helped fellow entrepreneur Neal Wilson in the start-up operation of a crane business, ProServ. Though the Steins' interest has been sold down over time, they still maintain about a one-third interest in

A Texas-Sized Reputation

A QUARTER-CENTURY in the steel business is enough time to build a bit of a reputation. In Gary Stein's case, the reputation he's earned is one of unflinching honesty, fairness and business savvy among his customers, suppliers and fellow service center operators.

"Under his leadership, he has taken a family-owned enterprise to new heights. In addition, he has built an effective management team, as well as demonstrated a genuine concern for



Triple-S Steel founder Bruce Stein named his son Gary the new president of the company on his first day of work in 1983. It's a decision the father has never regretted. (Photo by George Craig Photography, Houston)

the industry as a whole. He is involved with various charities and industry trade associations and is a guy who is always there when needed," says Don McNeely, president of Chicago Tube & Iron in Romeoville, Ill., and the 10th *MCN* Service Center Executive of the Year.

Mike Rolnick and his former partner chose to sell their company, R&S Steel, to Gary Stein, and today feel they put their baby in good hands. "It's a good family-oriented group of people who really think of the employees and are not ashamed to do things

right. Even in this current downturn we're all going through, they just say, 'You did good going up, let's not give it all back going down.' They let you do your business, and they're very easy to work with."

The reception is the same among people who negotiate with Triple-S Steel and Gary Stein.

"I've known Gary for 10 or 11 years, and I've never known anybody with quite the enthusiasm he has for the industry. He works pretty hard at staying on the cutting edge and being involved in the business. Whatever the next thing is out there, Triple-S is going to be in a position to take advantage of it," says Jim Moffa, owner of Myrex Industries, a fabricating customer of Triple-S Steel.

"He's an exceptional person in the steel industry. He's certainly an innovator. He's been the backbone and the drive behind Triple-S's success in the steel market," says Bob Caswell, owner of Miscellaneous Specialties, another customer.

But Stein gets equally high marks when he's on the other side of the transaction.

"He's a true entrepreneur. He sees an opportunity and he's not afraid to take a risk. But he has a high standard for integrity," says Jim Kerkvliet, vice president of sales and marketing for Gerdau Ameristeel, a Triple-S supplier. "He's a tough but fair negotiator," Kerkvliet adds. "He's looking to get the best deal for his company, but he also realizes there needs to be a benefit for us."

Stein's commitment to his community equals his commitment to his company and his customers.

"Giving to others is more important in his life than anything else," says Carlos Hernandez, owner of Curtis Kelly. "It tells you the character of the man. And it's not just Gary, but the family in general—his brothers, his mom and dad."

Gary's father, Bruce Stein, says his son's desire to give back pays valuable dividends to his company. "I feel as though, because of their love of philanthropy, they're going to make this company grow and grow and grow," says Bruce Stein. "And one day they'll support hospitals and schools in an even larger capacity than we do now. That's what he wants for his company."

To Phillip Rivera Sr., owner of Drilling Structures International, Gary Stein is more than just a supplier, but a genuine friend. "He's the greatest. You want your kids to grow up and be that type of man."

the company, ProServAnchor Crane Group, which has grown to become one of the country's largest independent crane builders.

The Steins also launched a real estate development company, Ferrous Industri-

al Properties, which develops properties for steel-using businesses. "I call it big, dumb metal buildings with cranes," Stein says. But through this subsidiary, Triple-S helps to grow the city's industrial base.

"We wind up making tenants out of

customers and customers out of tenants. We don't own rental apartments or shopping centers. The only kinds of rental properties we own are heavy industrial, and many of those companies do business with us. We buy a building and lease

▶ The acquisition of Intsel, with its sizable inventory of plate and other structural steel, elevated Triple-S from a small-order shop to a major distributor. Shown: Gary Stein gives a tour of his Intsel facility including beam inventory on the ground outdoors.

it to somebody we hope is going to use a lot of steel. We don't make a condition of rent that they buy steel from us, but we try to develop a relationship with that company and help them do business with Triple-S companies," Stein says.

One of the most recent investments is in a startup company in Alabama, Steel Dust Recycling LLC. It's a steel dust recycling facility being constructed near the SeverCorr operation in Mississippi that takes electric furnace baghouse dust from SeverCorr and other southeastern mills, processes it and removes the zinc. A good friend launched the business. "We're a natural partner, because we know the steel business and he knows the zinc business," Stein says.

While it appears on the surface that Triple-S may stray dangerously from its core competencies on occasion, these investments all share a familiar common denominator: steel. "It's another way to touch the steel business. It's the only thing we know," Gary adds.

Doing things differently

Even within its traditional service center operation, Triple-S Steel isn't afraid to veer from the playbook many of its peers are following. It starts with inventory, a dirty word in some service center circles, particularly as steel prices plunged in the fourth quarter.

"One of the philosophies of our company is we keep big inventories," Gary Stein says. "We're not hung up on inventory turns. My father always says you can't sell from an empty wagon."

Stein says Triple-S has never shied away from buying big tons, and won't be changing. It's an attitude that paid off handsomely during the first six months of the year, "though at this point of the cycle, we're handing money back," he admits.

Triple-S maintains 175,000 to 200,000 tons of material across the organization and turns its inventory an



estimated four times per year.

Another difference is the company's attitude toward value-added processing. While many larger service center companies are adding processing capabilities, sometimes in conflict with customers' downstream operations, Triple-S is content to stay largely out of that end of the business. "Houston's not a big national OEM city. For what we sell, it's just not a real big processing market," he says.

In Houston, the company does some plate burning, most at its Central Processing location. It runs burning machines from local manufacturer Plasma Systems at several of its facilities. The company's R&S facilities in Denver and Salt Lake City do a little more processing than their Texas counterparts, including some slitting in Utah. "Customers there tend to want their beams cut and in Houston they want to cut it themselves," Stein explains.

Another of Stein's operational philosophies involves maintaining a truck fleet. The company owns some trucks, but leases the majority of its vehicles. Its truck of choice is a Peterbilt "They cost a little more, but it's great for driver morale. They love driving a Pete," Stein says.

Every truck in the fleet is equipped with At Road, a GPS monitoring system that tracks exactly where each vehicle is at any given moment. Stein says there hasn't been much backlash from truckers who fear Big Brother is monitoring their driving habits. Instead, the company primarily uses it to assist the occasional lost driver, or even as evidence if the situation dictates. Triple-S drivers involved in minor accidents have been able to point to the GPS data to prove they were maintaining the proper speed at the time of the crash.

Stein says it's imperative for a distributor like Triple-S to operate its own fleet. "Unless you've got a magic bullet, I don't think you can outsource trucks cheaper than you can do it yourself. If you're running trucks every day from Houston to Minnesota, you should outsource. But for local, multi-stop deliveries, I don't think anybody can do it cheaper and better than we can."

To outsource shipping would be to give up a valuable opportunity for personal contact with the customer, he adds. "Delivery, that's what we do. That's a core function. The driver is often the only person from our company the customer ever sees. It's important to look sharp, be



Triple-S Steel moved most of its limited processing operations in the Houston market to a Central Processing building. The company has six burning machines (top) lined end-to-end at the 500,000-square-foot building. It also recently acquired a paint line (bottom) from a bankrupt operation, which it installed at its Intsel facility and uses to serve its marine customers.

sharp, and help where you can, and represent the company.”

Like any organization, Triple-S has suffered some missteps along the way. Perhaps the biggest involved the company’s software package. In the early 1990s, as Triple-S was starting its growth, the company purchased a canned software program that wasn’t working properly. “We decided we were so unique that we

had to develop our own. We spent a ton of money, and it really ground me into the dirt,” Gary remembers. The software was never installed.

Properly chastened, the company turned to Invera, a Newtown Square, Pa., software vendor, to install its STELPLAN system. Invera was able to modify the program to accommodate Triple-S Steel’s extensive retail business and other quirks

of the operation. Software has not been an issue since. “STELPLAN is the standard,” he says.

Getting out of the way

Gary Stein’s managerial style was on best display shortly after the company’s acquisition of its Intsel facilities. Intsel had been rocked by the struggles of the previous Metals USA ownership, and the employees were anxious and uncertain about the unfamiliar new owners. Stein gathered the personnel for a meeting, and began showering his new employees with corporate speak, extolling the value of “best practices” and “shared services.”

“I used every business magazine buzzword I could come up with, and you could see them thinking, ‘How fast can I type up my resume?’” But before the employees could check out, Stein said, “And if you believe that, you don’t know me very well. I’ve got a six-word mission statement that goes like this, ‘Sell More Steel. Make More Money.’”

Stein then left Intsel’s management team to get back to the formula that had been successful for 50 years, prior to Metals USA’s acquisition of the distributor. Other than a single employee who departed that first week, the entire commercial team that Stein addressed that day is still on the job six years later.

“He allows you to operate. He relies on his managers. He let us be who we were. Prior to that, they didn’t understand what we did,” says Intsel’s Paul Pierantozzi.

The story is the same in Denver. Mike Rolnick and his former partner were close to selling the company they created when they were introduced to Gary Stein. Twenty-four hours later, they were ready to join the growing Triple-S enterprise. Rolnick says the marriage has been everything he expected.

“It’s worked out very well. He’s been very good to the employees. He’s done everything he said he would and probably more,” says Rolnick, who stayed on to run the operation.

Triple-S injected some money into the R&S operation, allowing the company to relocate to a larger, more efficient location. But Stein trusts Rolnick to

make the best decisions for the local operation. "He basically said, 'You guys just do what you're doing, because you're doing it right.'"

Stein's managerial style is to find people he wants to work with first, then let them do what they do best. "There is a lot of freedom, as long as you show the results," Pierantozzi says. "He's not totally hands off, but he's open to the direction his managers want to go. If it can be supported and substantiated, he's more than willing to back us."

But if the people aren't the right fit, Stein says, a good manager has to be willing to let go. It's a lesson that came difficult to him, but one he demands of himself and others in positions to lead.

However his managers choose to run their businesses, Stein expects them to do it in person. Managing by e-mail is not acceptable. "Criticism doesn't communicate in an e-mail. It doesn't say much about your strength as a manager if you can't look the person in the eye."

Family first

Triple-S Steel's success is a product of the efforts of the entire Stein family. The corporate lineage includes Gary's parents, Bruce and Shirley, both of whom remain active in the company, and Gary's younger brothers Bradley and David.

David Stein, the youngest of the three Stein boys, is responsible for the company's secondary steel business, part of the company's roots. He's also in charge of Triple-S's international business.

"David just migrated toward the secondary business. Because he's fluent in Spanish, international just fell in his lap," Gary says.

Bradley Stein, the middle child, started working for the family business a few months before Gary. Brad was responsible for developing the ornamental iron component business inside Triple-S. His interest in that aspect of the business, combined with his desire to operate a more focused business, led Brad to sell most of his interest in Triple-S and create a separate company, TS Distributors, devoted to the ornamental iron market.

"It was not a corporate divorce. David and I continue to own a small piece of

Bradley's company and Bradley continues to own a small piece of Triple-S. We still talk almost every day," Gary says.

Gary Stein's family life extends to his wife Tracy and their three children, a 17-year-old boy and 14-year-old twins, one boy and one girl. "I think I'm a much better dad than I am an executive," he says with a smile.

While he'd be delighted to see one or more of his children follow his lead into the family business, it's not a requirement. "I want my family to own this business for generations. But I won't force it on the next generation. They're individuals and they have the right to choose," he says.

Besides the commitment to their children, Gary and Tracy have been committed to their community throughout their marriage, contributing time and money to many Houston-area causes. In October, the Emery/Weiner School honored Gary as the school's eighth Joy of Education Winner, which recognized his contributions to fundraising and overseeing the school's \$10.5 million expansion project. In 2002, Gary and Tracy were the city's Children's Scholarship Ball honorees.

"I don't think I've ever met anyone who works as hard as he does for the things he cares about," says Katie Frantz, director of communications for Emery/Weiner School.

Gary has served on the boards of the Houston Achievement Place, the Jewish Federation of Greater Houston, the Jewish National Fund and the Anti-Defamation League. He currently serves as director of the Harris County Appraisal District, among other civic endeavors.

His most famous charitable achievement, however, dates back almost 20 years. He was serving as president of the Houston Food Bank when the organization secured a taped public service address by First Lady Barbara Bush. After filming the spot in the White House, the young steel executive had a chance to chat with the president's wife, a fellow Texan, sharing a story from his company about an issue dear to her heart, literacy. Triple-S had hired a non-reader who had secured the job by hav-

Elite Dozen

AS THE 12TH RECIPIENT of MCN's Service Center Executive of the Year Award, Gary Stein joins an illustrious group of the industry's finest leaders. Past honorees include:

- Michael Siegal, Olympic Steel, Bedford Heights, Ohio.
- David Hannah, Reliance Steel & Aluminum Co., Los Angeles.
- Norm Gottschalk Jr., Marmon/Keystone Corp., Butler, Pa.
- Al Glick, Alro Steel Corp., Jackson, Mich.
- Sandy Nelson, Earle M. Jorgensen Co., Lynwood Calif.
- Arnold Tenenbaum, Chatham Steel Corp., Savannah, Ga.
- Bud Siegel, Russel Metals Inc., Mississauga, Ont.
- Dave Lerman, Steel Warehouse Co., South Bend, Ind.
- Bill Jones, O'Neal Steel, Birmingham, Ala.
- Don McNeeley, Chicago Tube & Iron, Romeoville, Ill.
- Wayne Bassett, Samuel, Son & Co., Mississauga, Ont.

ing someone else fill out the job application. Rather than send the new employee on his way, Stein and his managers helped him learn to read.

First Lady Bush, impressed by the efforts of a private enterprise to address the issue, found occasion to use the example of Gary Stein and Triple-S Steel as part of future stump speeches. He even made it into her biography.

Yes, before presidential candidates fought over Joe the Plumber, the former First Lady introduced the world to Gary the Steel Salesman—a source of pride 20 years later. ■

Editor's note: Gary Stein and Triple-S Steel will be honored during MCN's annual Executive of the Year awards banquet in Chicago in March or April, details to follow.