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MAGAZINE **MAKING IT**

Not Made in China: A Baltimore Manufacturer Triumphs Over His Global Competition

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Slam Dunk: Drew Greenblatt brought his business back from the brink.

In 1998, Drew Greenblatt made some money selling a small home security business he had owned, and he wanted to invest in a company that made a real product.

He bought a 30-year-old Brooklyn-based company that made wire baskets and racks for retailers and the food service industry. Drew figured the world would always need wire racks for holding things such as bagels or newspapers, so he moved the business to Baltimore, hoping that a little modernization was all the company needed to take off.

He was wrong. Drew nearly went under before turning Marlin Steel Wire Products into the thriving business it has recently become, and he had to completely reinvent the enterprise in the process. It is common for entrepreneurs to hit a wall at some point, but most don't come out on the other side.

"I went from one extreme of being flush with cash to the flip side of putting it all back into the company, having no money and going all the way out on my credit cards," Drew recalls. During this time, he and his wife had their third child.

Drew's new business started going downhill around 2000. Huge companies that buy large quantities of wire baskets and racks, such as Target, started importing them from China. Drew tried to compete by shaving his prices and investing in fast, efficient production robots, but he couldn't lower prices enough. Soon he was losing "a couple hundred thousand dollars a year" on sales of just over \$1 million. "It was ugly."

Drew, whose father was a successful entrepreneur, pored over his business, searching for a way out. "It was not a gentle repose at the library," he says. "It was very painstaking." He began to notice there were some customers, such as Boeing, who wanted small orders turned around quickly and accurately and didn't haggle over price. What if Marlin could focus on making high-quality, well-engineered steel products for such high-tech manufacturing plants?

Drew started chasing customers aggressively through trade shows.

Unlike Marlin, Chinese manufacturers require large minimum orders and long lead times. "China can't get a custom single hook or single basket in less than a week, or in less than three weeks," he says. "They can't do it."

In 2002, such jobs were 0.5 percent of Marlin's sales. This year, they will be 70 percent of the business, as sales top \$3 million. Companies such as Novartis, Toyota, Amgen, Pfizer and Boeing use Marlin's custom-made wire baskets and assemblies to carry, secure or wash materials in their robotic, high-tech manufacturing plants. "Material-handling baskets" are a new need for a new style of American manufacturing, Drew says. And he got in just in time.

This has been Marlin's most profitable year ever, while the average wage for Marlin's 22 employees has gone from \$6 an hour in 1999 to more than \$15 today. And Drew, who lives in Potomac, has started paying himself again, too. But not that much. He still drives a car with 200,000 miles on it.

"I look at it this way," he says. "I can get myself a luxury car, or I can buy another million-dollar robot."

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