



22 August 2007

### Kudos to Marlin Steel Wire

An article in last Sunday's [Washington Post Magazine](#) tells us about [Marlin Steel Wire](#), a company that has found a way to be globally competitive from U.S.-based factories, and in a traditionally low margin business to boot. The company used to make wire baskets and racks for retailers, and was nearly destroyed by foreign competition.

*Marlin 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 [Greenblatt, owner] 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."*

Ouch. So what competitive competencies could be brought into the mix to turn things around?

*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? 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."*

It worked.

*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. 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.*

Speed has value. Quality has value. Agile customizing has value. Not using lead paint has value.

That sure beats [complaining](#) about regulatory costs, trade barriers, labor costs, and the like... and sitting around and hoping the government does something about it (perhaps igniting a trade war in the process).

<http://www.evolvingexcellence.com/blog/2007/08/kudos-to-marlin.html>