

With a little innovation, who needs outsourcing?

Delivered yesterday? No problem! That's why small U.S. manufacturers are on the rise.

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Marlin Steel Wire president Drew Greenblatt and robot operator Dong Moon (far left) at the Marlin factory in Baltimore City, Md.

Find your niche

The larger lesson for small manufacturers? Commodity production equals failure. That's true in most industries, not just apparel. "If you're doing commodity work in steel fabrication today, you're dead," says Drew Greenblatt, 40, CEO of Marlin Steel Wire (marlinwire.com) in Baltimore City, Md.

Greenblatt should know. When he bought Marlin in 1999, the company made wire baskets for bagel shops, and offshore competitors were devouring the market. Marlin's revenues were at \$800,000 and falling. Greenblatt realized he could either reinvent the company or watch it fail. He decided to start producing precision baskets for industrial applications.

One major stumbling block: Because Marlin's baskets were all hand-welded, the company was incapable of producing to tight tolerances. So he invested \$1.1 million in robotic welding and bending machines run by AutoCAD software. Today Boeing (Charts, Fortune 500), Pfizer (Charts, Fortune 500) and Toyota (Charts) use Marlin baskets to send delicate parts through washing machines and curing ovens.

"With bagel baskets, it's not a big deal if you're half an inch off," he says. "But an engineer at Boeing is not going to tolerate parts slipping out of our baskets."

Greenblatt also hired two engineers and trained them to turn drawings around within 24 hours. "In 50 percent of cases I'm shipping product faster than my competitors are sending a second quote," he says proudly.

Marlin estimates that sales will hit \$3.5 million in 2007, up 46 percent from the year before. "I look for the customer who needs product quick, exact and in quantities that aren't huge," Greenblatt concludes. "If you get those three, it's my sweet spot, and I'm going to beat the Chinese guy every day of the week."

Marlin Steel Wire Products

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