

Keeping Up Through 232

The tariff-laden steel environment created a new dynamic for North American mills. Which companies did the best job of managing their operations?

In 2018, the steel mill landscape changed dramatically. In the first quarter, President Donald Trump announced the completion of the Section 232 import investigation, finding that imported steel and aluminum were a threat to national security. To combat that situation, the president announced tariffs of 25 percent on foreign steel products, plus another 10 percent on aluminum. Immediately, prices spiked, lead times stretched and getting a hold of some specialty products became a little more troublesome.

In conjunction with the new mill-friendly environment, U.S. producers announced a host of new investments to increase capacity, either through green-field efforts or the restarting of idled facilities. U.S. Steel's Granite City, Ill., operation was brought back to life, as was the newly acquired Liberty Steel facility in Georgetown, S.C. Nucor, JSW Steel USA and Big River Steel all announced plans to add capacity at facilities across the country.

For the time being, however, the existing domestic capacity was forced to deal with a greater share of U.S. demand than in the recent past. Maintaining happy

customers while trying to ramp up production was a challenge, but one that will pay long-term dividends. The new dynamic didn't change the basic requirements of service centers and end users. They want quality material reliably delivered on time, preferably for the best possible price.

So which steel mills most consistently met that challenge?

Each year, Jacobson & Associates surveys more than 2,000 major steel customers in the United States and Canada, including service centers and end users, to measure their satisfaction with their mill suppliers. The Jacobson Survey measures customer satisfaction with quality, service, price, on-time delivery, inside sales, outside sales, e-commerce, and overall satisfaction.

The top-rated mills in overall customer satisfaction by product category are: North Star BlueScope among sheet producers, Nucor Marion in bar/structural, EVRAZ Portland in plate, Nucor Nebraska in SBQ and Nucor Berkeley in beam.

Not surprisingly, the mills with the highest overall satisfaction scores tend to have high loyalty index rankings. Delta, Ohio-based North Star BlueScope and



What You Said ...

Customer Comments on What Makes Best the Best

Sheet Producer

North Star BlueScope

- North Star BlueScope is a great mill with excellent product, great on-time delivery, and they are very helpful when we need something quickly.
- North Star BlueScope is an excellent supplier. It is easy to conduct business with them. NSB's product is good and their gauge control may be the best. NSB needs to work on better computer/information flexibility.
- North Star BlueScope knows their strengths and dominates the market in the areas they are strong. NSB is a very well-managed company with excellent light gauge capabilities.
- North Star BlueScope is a very reliable supplier. Their inside reps are my best reps.
- North Star BlueScope is a great partner. They have the best gauge consistency in the industry, top-notch quality.
- North Star BlueScope is our major supplier. Their strengths are flexibility, consistency and being customer oriented.
- North Star BlueScope is an excellent mill. They have great product knowledge and 'customer needs' knowledge. Their quality is the best I have seen, by far. NSB has a very helpful group of people that are easy to deal with in all areas of business.
- North Star BlueScope is responsive. They need to expand on capacity and product offerings. NSB makes the most consistent and best product

Plate Producer

EVRAZ Portland

- EVRAZ Portland is stepping up. We have a great relationship, and they are willing to listen.
- EVRAZ Oregon is a quality supplier with a very good range of thicknesses and grades of plate produced.
- EVRAZ Portland, Oregon consistently ships on time, and they have great customer service.
- EVRAZ Portland is our major supplier. They are a great company. EVRAZ Portland is not as good since tariffs, but they are handling it better than everyone else.
- EVRAZ Portland has great customer service and a great sales team, but they can be overpriced compared to domestic suppliers.

Bar/Structurals Producer

Nucor Marion

- Nucor Marion is good to deal with. They are very polite, and we have had no issues with their product quality. They may have missed delivery dates once or twice.
- Nucor Marion is our major supplier. They are dependable, a reliable company but at times their schedule gets extended out.
- Nucor Marion is a true partner. Sometimes, Nucor Marion lags on price competitiveness. Their delivery was great but got worse with tariffs.
- Nucor Steel Marion is dependably willing to get you what you need. Their weakness is roll schedules.
- Nucor Marion is our major supplier. They are a mill that you can rely on. Nucor Marion has good people that care. We are always aware of what is happening in the market.

SBQ Producer

Nucor Nebraska SBQ

- Nucor Nebraska is cooperative. They help out a lot. Nucor Nebraska gets things done with a solid organization front to back. They just need to lower the price.
- Nucor Nebraska is our major supplier. Their strengths are quality and engineering, while their weakness is rolling schedule turnover.
- Nucor is our major supplier. They are responsive. Nucor's strength would be the process to improve delivery by maintaining a firm long-term schedule. It was a struggle at first but has led to a great improvement as far as delivery.
- Nucor Nebraska has a great inside sales staff and they are a reliable teammate.

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- Nucor Nebraska is a consistent supplier with good quality products.
- Nucor Nebraska is consistent. Their strength is on-time delivery performance while their weakness is their limited grades melted.

Beam Producer

Nucor Berkeley Beams

- Nucor Berkeley is a pleasure to deal with. They are on time with rolling material for the most part. Nucor Berkeley's shipping (availability of trucks) seems to be an issue but the mill will work with you to get material shipped when asked to prioritize loads.
- Nucor Berkeley is customer friendly. They have decent floor stock and good roll cycles, but their weakness is the narrow range of product.
- Nucor Berkeley Beams is professional. Their strength is roll cycles, while their weakness is that they run out of inventory quickly.
- Nucor Berkeley Beams is a steady supplier. They have a good inside and outside sales staff that is proactive to customer needs; provide predictable and on-time short rolling cycle.
- Nucor Berkeley is an outstanding supplier. They have prompt, courteous, accurate inside sales reps; attentive outside sales reps; good billing accuracy; and a very good product range.

Top Suppliers

Top-rated mills in overall customer satisfaction by product category	
Sheet Producer	North Star BlueScope
Plate Producer	EVRAZ Portland
Bar/Structurals	Nucor Marion
SBQ Producer	Nucor Nebraska
Beams	Nucor Berkeley

Source: Jacobson & Associates. Data is for the 12 months ending Sept. 30, 2018

EVRAZ Portland were also first in customer loyalty in their product categories, while SDI topped the beam list, Gerdau Sayreville led in bar/structurals and Gerdau Midlothian was first among SBQ producers.

The customer satisfaction rankings, broken down into views from service centers and end users, offers an interesting contrast. In each product category the distributors and end-user customers differed on the top-performing mill. Service center customer gave the highest overall customer satisfaction rankings to North Star BlueScope, SSAB Plate, Nucor Berkeley, CMC Texas, and Nucor

Nebraska. End-Use Customers gave the highest overall customer satisfaction rankings to SDI Butler, EVRAZ Portland, SDI Structurals, Nucor Marion, and Gerdau Special – Fort Smith.

Since Jacobson & Associates has been tracking service center and end user attitudes for decades, it can also see which mills enjoy the biggest gains in support from one year to the next. The most improved suppliers in 2018 were Nucor Berkeley among sheet producers, Gerdau Charlotte in bars/structural, Gerdau Special – Jackson in SBQ, Gerdau Cartersville in beams and Algoma in plate. n

Most Improved Suppliers

Most Improved Suppliers in Overall Customer Satisfaction by Product Category

Sheet Producers

1. Nucor Berkeley
2. AM/NS Calvert
3. SDI Butler
4. USS Great Lakes
5. Algoma
6. Nucor Decatur
7. NLMK Indiana
8. Nucor Crawfordsville
9. North Star BlueScope
10. ArcelorMittal Dofasco

Plate Producers

1. Algoma Plate
2. EVRAZ Portland

Bar/Structural Producers

1. Gerdau Charlotte
2. Gerdau Sayreville
3. Nucor Nebraska
4. Gerdau Knoxville
5. Vinton Steel
6. CMC Arizona
7. Gerdau Etiwanda

SBQ Producers

1. Gerdau Special - Jackson
2. Timken
3. Nucor Nebraska

Beam Producers

1. Gerdau Cartersville
2. SDI Structurals

The most improved mills are those with the highest percentage increase in overall customer satisfaction scores for the 12 months ending Sept. 30, 2018. Companies are listed in order from highest to lowest in percentage improvement.

Loyalty Index Ranking

Highest Ranked Mills in Customer Loyalty by Product Category

Sheet Producers

1. North Star BlueScope
2. CSI
3. NLMK Indiana
4. Big River Steel
5. Nucor Crawfordsville
6. Nucor Gallatin
7. NLMK PA
8. SDI Butler
9. The Techs
10. ArcelorMittal Dofasco

Plate Producers

1. EVRAZ Portland
2. Algoma Plate
3. Nucor Hertford
4. Nucor Tuscaloosa

SBQ Producers

1. Gerdau Midlothian SBQ
2. SDI Engineered Bar
3. Alton Steel
4. Nucor Nebraska SBQ
5. Timken

Bar/Structurals Producers

1. Gerdau Sayreville
2. Nucor Nebraska
3. Nucor Marion
4. EVRAZ Pueblo Rebar
5. Nucor Jackson
6. SDI Roanoke Bar
7. Gerdau Etiwanda
8. CMC Texas
9. Nucor Auburn
10. CMC Alabama

Beam Producers

1. SDI Structurals
2. Nucor Berkeley
3. Nucor Yamato

Companies rated the best in customer loyalty are listed in order from the highest ranked in each product category.

Source: Jacobson & Associates. Data is for the 12 months ending Sept. 30, 2018.

Overall Customer Satisfaction

By Product Category, End-Users and Service Centers

Top Sheet Producers

As Rated by End-Use Customers

1. SDI Butler
2. California Steel
3. ArcelorMittal Dofasco
4. The Techs
5. Nucor Arkansas
6. Nucor Crawfordsville
7. Nucor Decatur
8. Big River Steel
9. Nucor Berkeley
10. AK Steel

Top Plate Producers

As Rated by End-Use Customers

1. EVRAZ Portland
2. SSAB Plate
3. Nucor Tuscaloosa
4. Nucor Hertford

Top Beam Mills

As Rated by End-Use Customers

1. SDI Structurals
2. Nucor Berkeley
3. Nucor Yamato

Top Bar/Structurals Mills

As Rated by End-Use Customers

1. Nucor Marion
2. Nucor Jackson
3. Nucor Nebraska
4. CMC South Carolina
5. CMC Texas
6. CMC Arizona
7. Nucor Texas
8. Nucor Auburn
9. Vinton Steel
10. Nucor South Carolina

SBQ Producers

As Rated by End-Use Customers

1. Gerdau Special - Fort Smith
2. Gerdau Special - Monroe
3. Gerdau Special - Jackson
4. Alton Steel

Top Sheet Producers

As Rated by Service Center Customers

1. North Star BlueScope
2. Nucor Decatur
3. Nucor Berkeley
4. ArcelorMittal Dofasco
5. Nucor Crawfordsville
6. SDI Butler
7. Nucor Arkansas
8. Nucor Gallatin
9. SDI Columbus
10. NLMK Indiana

Top Plate Producers

As Rated by Service Center Customers

1. SSAB Plate
2. EVRAZ Portland
3. Nucor Tuscaloosa
4. Nucor Hertford

Top Beam Mills

As Rated by Service Center Customers

1. Nucor Berkeley
2. Nucor Yamato
3. SDI Structurals

Top Bar/Structurals Mills

As Rated by Service Center Customers

1. CMC Texas
2. Nucor Jackson
3. CMC Alabama
4. Nucor South Carolina
5. SDI Roanoke Bar
6. CMC South Carolina
7. Nucor Texas
8. Cascade Steel
9. Nucor Utah
10. CMC Arizona

SBQ Producers

As Rated by Service Center Customers

1. Nucor Nebraska
2. Nucor Memphis
3. SDI Engineered Bar
4. Timken

Customer satisfaction rankings are divided into the votes from end-use customers and service centers. Customers typically rank on four primary factors: quality, service, price and on-time delivery.

Source: Jacobson & Associates. Data is for the 12 months ending Sept. 30, 2018