

# Solid Investment

## Outokumpu Upgrades New Castle Facility

By Tom Schuman

**E**ast Central Indiana has had more than its share of “bad news” manufacturing stories in recent years. That was acknowledged in August during a celebration of a \$58 million company investment in the Outokumpu steel facility in New Castle.

“Henry County and the surrounding area have been hit extremely hard by the recession,” explains Michael Stateczny, noting the history of New Castle as a “Chrysler city.” Stateczny, vice president and general manager of plate products for the Outokumpu operation, adds, “Employees are grateful the company has demonstrated so much confidence in what we do. Without that investment, it would be much harder to continue along this path for a business like this to survive.”

Outokumpu is based in Espoo, Finland. It operates in 30 countries and employs 8,000-plus people (including more than 150 in Indiana). The New Castle location, which has been operated as a steel mill since the early 1900s, has been part of Outokumpu since 2007. (It was owned and operated by Borg-Warner Corporation from 1929 to 1971; stainless steel became the focus in the mid-1980s and remains so today).

Juha Rantanen, CEO of the Outokumpu Group, was one of three company leaders to travel from Finland for the unveiling of the improvements.

“We consider ourselves a global leader in this specialty area,” Rantanen declares. “We want to be the undisputed No. 1 in this industry, and we measure that by quality – not quantity.”

While the New Castle investment was announced in late 2007, many such projects were put on hold when the economy bottomed out over the next year and a half.

“By the end of 2008, there was enormous change in the business environment. Some of our big capital expenditure projects had to be postponed,” Rantanen recalls. “But the best investment you can make is when the markets are down. We believe the markets are coming back in North America. No one knows when, but we are prepared.”

### Serving the customers

The specialized stainless steel plate produced in New Castle can be seen in several high-profile design projects, including the “Cloud Gate” sculpture in Chicago and the United States Air Force Memorial in Arlington, Virginia. But the majority of customers are in the infrastructure business – ranging from coal-fired energy and ethanol plants to water reclamation facilities and nuclear waste storage.

The improvements – Christopher Streit, a 28-year New Castle veteran and current vice president of operations, terms it almost rebuilding the entire mill from the ground up – enhanced the automation and greatly increased the ability to meet customer needs.

Bo Annvik, executive vice president of Outokumpu Specialty Stainless, says the plant is “well-positioned in a number of market segments. What we do requires unique equipment. After this investment, we have the best in North America, and we will be that way for decades.”

Stateczny, at New Castle for 12 years and team leader for the past six, adds, “We rarely talk about capacity. The notion of operational agility is so critical to us. Other than safety, on-time delivery is what customers want.

“Our material flow was not very good. This investment allowed us to correct a lot of those sins.” Emphasizing efficiency and customer service, he concludes, “We like to call ourselves the easiest company to do business with.”



Process improvements as a result of a major upgrade have positioned Outokumpu for the future.

### INFORMATION LINK

Resource: Outokumpu at [www.outokumpu.com](http://www.outokumpu.com)