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**Moore County, NC**

## **Aberdeen Industry Expands with New Business Acquisition**

Thermal Metal Treating, Inc. of Aberdeen is expanding and diversifying its manufacturing operations through the acquisition of Architectural Ironworks (AIW), a manufacturer and distributor of decorative door and bath hardware. All of AIW's operations, inventory and equipment have been moved from its previous location in Santa Fe, New Mexico to Thermal Metal's facility on Highway 211 East.

Thermal Metal was established in Aberdeen twenty years ago by partners Jerry Ritter and Mark Scott. When they decided to start Thermal Metal, Ritter, President, and Scott, Vice President, were operating out of a facility in Rockingham. Due to the nature of their business, finding the right permanent location depended on several factors. The deciding factors, however, were quality of life -- and only Moore County offered the exceptional lifestyle they desired -- and the willingness of local business people, particularly Harris Blake, in building and leasing the facility needed to run their operation.

Originally located in the former Colonial Abrasives building on South Pine Street in Aberdeen, Thermal Metal moved to its current 76,000 square-foot facility in 1999 and continued to focus on metal heat treating, machining, coating and electroplating for industries such as automotive, construction and the military. Over the past few years, the company realized that the national manufacturing environment was changing as more and more companies were sending jobs overseas, especially to China. "We had to determine how to position the company to remain competitive, and we realized that expanding our customer base through diversification was critical", Scott said.

An opportunity to diversify came in 2006 when Charlotte-based Global Door Controls, Inc., a manufacturer of residential and commercial door hardware and owner of the AIW product line, approached Thermal Metal. AIW was undergoing some internal changes, and at the same time, Global Door Controls wanted to move these manufacturing operations to a location in North Carolina.

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“Global Door Controls had heard of us and came for a tour of our facility”, Scott said. “They were impressed with our operations and our capacity for expansion, so they asked if we wanted to purchase the AIW manufacturing operation with a supply agreement to provide product to them for their distribution network.” After due diligence and a trip to Santa Fe, Thermal Metal purchased just the manufacturing operations and brought nine truckloads of equipment and inventory from Santa Fe to Aberdeen. From August through October, 2006, they installed the equipment to produce high-end, custom hardware, distributed through “Decorative Door and Hardware Showrooms” throughout the US and Canada.

The raw materials come from China at a low cost, and Thermal Metal can do all of the designing, machining, heat treating and finishing in-house to the customer’s specifications. “The new equipment we acquired from AIW helped vertically integrate us”, Scott said. “The hardware manufacturing ties into our existing operations and has been profitable because it is low-volume, high-value and very customer-specific.”

“Thermal Metal exemplifies a solid manufacturing model for industry in the United States”, commented Ray Ogden, Executive Director of Moore County Partners in Progress, the economic development organization serving all of Moore County. “Low-cost raw materials are shipped from overseas, but the entire value-added process takes place here.”

This year, Global Door Controls offered Thermal Metal the opportunity to take over the remainder of AIW which included sales / customer service, distribution and supply chain management. Although this meant venturing into completely new territory, Thermal Metal didn’t hesitate. The company recently finalized the acquisition and has organized the operations under the name of Longleaf Bronze. Scott admits “it’s a new world to learn.”

About ten employees are currently associated with Longleaf Bronze including new employees hired to handle areas such as inventory control and national sales. Scott estimates that Thermal Metal will have about \$700,000 invested in the project.

In a three-year, non-compete agreement with Global Door Controls, Longleaf Bronze will focus on the decorative hardware market and use the licensed brand name “Architectural Ironworks” for its products which will be available only through showrooms. Global Door Controls will focus on the non-decorative sector sold through Lowe’s Home Improvement or The Home Depot, and Longleaf Bronze will manufacture product to support this business sector as well.

Scott attributes the smooth integration of AIW to the invaluable assistance of several local resources that are also helping Thermal Metal position itself for future growth.

Alan Duncan, Senior Director of the Dedman Center for Business and Industry Services at Sandhills Community College, is helping the company take advantage of the Focused Industrial Training (FIT) program. Through FIT, several current employees are participating in customized training in the new inventory control and supply chain

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management areas. Duncan also put Thermal Metal in touch with Dr. Carmen Calabrese, Executive Director of UNC-Pembroke's Thomas Family Center for Entrepreneurship, who is helping to create a marketing plan and brand for the company.

The Town of Aberdeen and Moore County have each approved financial assistance to help offset Thermal Metal's expenses for moving and setting up AIW's equipment in Aberdeen.

Scott also recently met with Stuart and Hong Schulte, Pinehurst residents who have been helping several local companies, such as Plastic Packaging Inc. in Aberdeen, maneuver through the language and cultural barriers of setting up business relationships in China. He will travel with the Schultes to China in July to identify potential suppliers.

Looking ahead, Scott said Thermal Metal will continue to look for ways to improve all aspects of the business, especially from an environmental perspective. "We want to implement an ecological approach to our processes, such as using recycled packaging for our products", he said. In addition, the company plans to pursue ISO 14000 certification, environmentally-oriented standards designed to minimize the effects of a company's operations on the environment. The company is already ISO 9001:2000 certified, which is based on quality and customer satisfaction.

"Thermal Metal is a great local industry success story", Ogden said. "They have a long history in Aberdeen. Now they've expanded and adapted the company to survive in today's manufacturing environment, and to help accomplish this, they've taken advantage of readily available local resources to provide direction and assistance."

"We hope other of our existing businesses and industries will realize that many of the resources they need to grow or diversify are available right here in Moore County. And their growth is certainly vital to a prosperous local economy", he added.

For more information about Thermal Metal Treating, Inc., visit [www.thermalmetal.com](http://www.thermalmetal.com). Moore County Partners in Progress is the economic development organization for the County. For more information, visit [www.moorebusiness.org](http://www.moorebusiness.org).

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