



Overcoming Operational Silos to Generate 4x Growth Despite a Rapidly Shrinking Market



ORGANIZATION

Tubular Steel, Inc.



INDUSTRY

Distribution



ABOUT

Tubular Steel is a leading national distributor of carbon, alloy, and stainless steel pipe, tubing, and bar products.

CHALLENGE

Tubular Steel, a national steel distributor headquartered in St. Louis, was burdened with a siloed culture characterized by politicking and infighting. The operational heads who comprised the executive team communicated with the CEO but not laterally with each other, resulting in massive amounts of waste and poor productivity. Though the company had engaged one of the highest-profile change management consultants in the country, the company could not seem to get any traction. Turnover was high, with some of the company’s best talent leaving in scores. Throwing up their hands, the management consultancy then working with the company pronounced the situation “hopeless.”

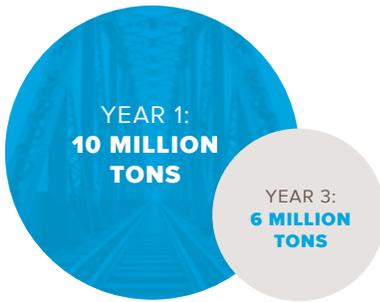
SOLUTION

Believing their challenges required a fundamental shift in mindset, the CEO engaged Arbinger. Arbinger began working with the executive team in weekly training sessions and with members of the management team one-on-one. Through this combination of group training and executive coaching, the leaders came to understand their impact on each other and on the organization, and began to reconceive their work to account for that impact. Larry Heitz, who was then serving as executive assistant to the CEO, delegated all other responsibilities in order to devote his full time to operationalizing Arbinger throughout the organization. This implementation included the training of staff company-wide and the development of new metrics and processes that would enable each employee to measure their impact on overall company performance.

“We were such a basket case that the most effective consulting firm we could find (and it has a very high national profile) could do nothing with us, despite months of trying. Fortunately, this firm was familiar with Arbinger and referred us to them. Nothing has been the same since. We are now the most profitable company in our industry—doubling and even tripling the ROI of our nearest competitors. As a result of Arbinger, we have exceeded goals and created camaraderie to an extent completely unprecedented in my career.”

LARRY HEITZ

Former CEO & President | Tubular Steel, Inc.



MARKET SIZE (IN TONS)



TUBULAR STEEL REVENUE

“This is not soft stuff. Bottom line is that Arbinger can help a company make more profit. You get further ahead with a cooperative culture and you make more money because of it.”

LARRY HEITZ

Former CEO & President | Tubular Steel, Inc.

RESULTS

Tubular Steel’s employees transformed the company. Equipped with an outward mindset, team members devised new and innovative ways to adjust their work to improve productivity and performance. Team members rallied to develop unique approaches to create competitive advantage in a declining market. As a result, during a time when the market for their products decreased dramatically from 10 million tons down to 6 million tons, the company’s revenue nevertheless grew by a factor of four. “We grew from \$30 million to over \$100 million and more than quadrupled our profits,” said Mr. Heitz, who later became president and CEO.

“This is not soft stuff. Bottom line is that Arbinger can help a company make more profit. You get further ahead with a cooperative culture and you make more money because of it.” Unlike so many training initiatives that seem to amount to nothing more than a flash in the pan, the change Arbinger enabled within Tubular Steel was a fundamental change in mindset, buttressed with new ways of working. Remarking on the longevity of this change, Mr. Heitz noted, “The training and infrastructure that was put in place was so deep-rooted that the company has continued to be successful ever since.”