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Adapting to Uncertainty

The outbreak of COVID-19 forced many NASA Members and Suppliers to adapt and manage business differently. Depending on location and customer industries, the impact to the NASA community has varied. In most States and Provinces, the steel industry is deemed “essential,” so orders and fulfillment continues—while companies adapt to create safe work environments for their employees or while many employees work from home.

Through the uncertainty, the NASA Management Team has stayed in regular contact with Members and Suppliers. “I communicate with various Members on a daily basis. They are experiencing the gambit of financial impact,” explained Mike Wagner, NASA President. “Some Members are reporting sales down only 10-15%, while others have been impacted more significantly with sales down by as much as 50%.”

According to Wagner, many NASA Members tapped into the federal government’s Payroll Protection Plan (PPP). The NASA Management Team conveyed details about the PPP, small business loans, Personal Protection Equipment (PPE) availability, and other COVID-related information to its members via NASA’s website and through email.

“Some Members have reported an uptick in business in May and June, but we remain very cautious about Q3 and Q4,” noted Wagner, citing several industries with uncertain forecasts such as the energy sector, construction, and automotive. “There is talk of an infrastructure program, which would have a positive impact on many Members.”

Through all of the upheaval, one thing remains certain -

Support During Crisis

With a 23-year history, NASA has supported Suppliers during market ups and downs. “It is more important now than ever, that our Members continue to support our preferred Suppliers. Everyone benefits when we support each other within the community,” stated Mike Wagner, NASA President.

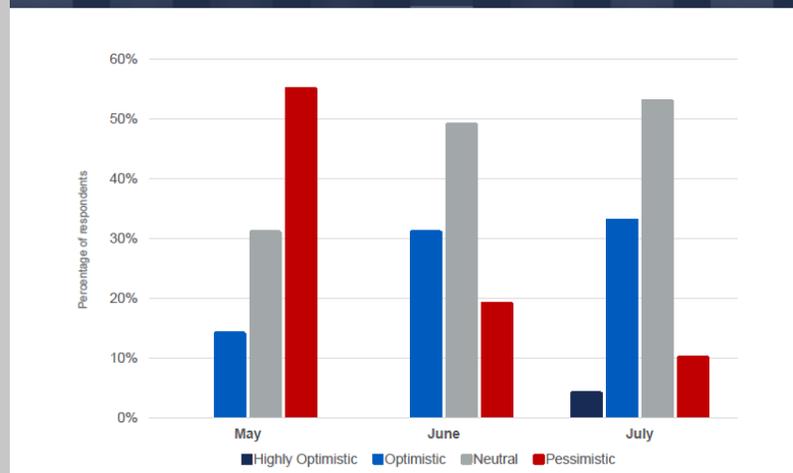
We also encourage members to participate in the Market Pulse survey, which gives Members and Suppliers insights regarding inventory levels, customer payment trends, market sentiment, and more.

“And, be sure to reach out to the Management Team and fellow Members. The NASA network is vast. And we are all here to encourage and support one another during these challenging times,” reminded Wagner.

NASA Members and Suppliers are hard-working, dedicated and resilient, even while adapting to a global pandemic and market uncertainty.

Increasing Optimism Among Members As Reported in NASA Market Pulse

Business Outlook – Monthly Trend



Based on NASA's monthly [Market Pulse Report](#), Member's overall business outlook has increased month-over-month.

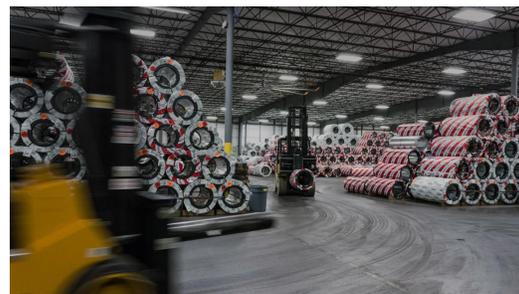
In July's Market Survey, 90% of survey respondents reported a neutral or optimistic business outlook for the next 30 days. Top member concerns include profit margins and steel pricing.

Login to view the monthly NASA Market Pulse - [Download Report](#)

"NASA Market Pulse gives us a snapshot of the members' current market perspective, outlook and concerns. It provides information and insight to help us understand how we may better serve the NASA community." -SSAB, NASA Supplier

Best Practice: Creating a Digital Footprint

When Todd Leebow joined Majestic Steel USA in 2007, as the CEO & President, he was looking to be a disruptor. "I wanted to bring a technology-centric approach to a traditional space. We rebranded the business with a focus on technology," explained Leebow.



To help make the tech-centric vision a reality for the Cleveland-based steel service center, Jon Whiley joined the company as Executive VP and Chief Technology Officer. "I didn't have a steel background; I came from supply chain and distribution. I was attracted to the vision of using technology to change the steel industry," noted Whiley. Both point to the changing demographics in steel buyers as a primary reason for the technology shake up. "Younger steel buyers are more mobile. As a technology-driven company, Majestic Steel is both filling the demand and driving change in our mobile world," said Whiley.

To capture younger—and retain current—steel buyers, Majestic Steel set out to create a digital footprint. "The footprint includes a number of aspects. We expanded our social media, we enhanced internal technical solutions, and we added more analytics solutions to leverage our data," reported Whiley. In July, the company launched a mobile app, so customers can obtain information anywhere, any time. The web portal and mobile app provide purchasing history, current contract status, inventory levels, and more. "Now a

customer can be on their manufacturing floor, pull out their mobile device, and get immediate access to their account. We want customers to be empowered to make informed decisions with the information at their fingertips,” Whiley stated.

Building the digital footprint at Majestic Steel didn’t happen overnight. “It started with changing the culture. We had to convince associates to think of us as a technology company. We added talent from outside the organization, who brought fresh perspectives that we could combine with our existing team’s institutional knowledge,” said Leebow. The web portal and mobile app was designed and developed by Majestic Steel’s in-house team. The team also provides data analytics. But NASA members don’t necessarily need to go to such lengths. “We are looking at developing software tools that can be used by other NASA members. Providing these sorts of technology products is part of our road map. The steel business has been very fragmented and traditional. By adding a technology dimension to our capabilities, we are creating an opportunity to disrupt the industry. And NASA members have a shared opportunity,” concluded Leebow.

Meet Dan Emerson - Huntington Steel

Dan Emerson Close Up

Birthplace:

Lexington, KY—my parents are both from Huntington, but I was born while dad was working for IBM in Lexington. We moved to West Virginia when I was a year old.

Education: Business Management degree from Virginia Tech.

Hobbies: Still and video photography. I play volleyball every week. Traveling and spending time with family.

Favorite steel application: Once I started working in steel I realized that it’s everywhere. I love that steel is so universal, and in times like these, that it’s also so *essential!*

NASA Network *spoke via phone with Leadership Development and IT committee member, Dan Emerson of Huntington Steel & Supply Co in Huntington, West Virginia. Here he tells us more about himself and building relationships.*

Q. How long have you been involved in NASA?

A. I became involved in the co-op in 2009. Huntington Steel has been a member since the very beginning. My father was one of the founding members.

What attracted you to the organization?

A. Because our company received financial and relational benefits from participating in NASA it seemed like a natural and rapid way for me to learn and build friendships.

Q. What other benefits have you discovered since joining?

A. Relationships have been the number one benefit of membership, for me. Through NASA, I’ve gotten to know quite a few people whom I now consider friends. In times like these (COVID-19), I can lean on them and other NASA members for best practices, economic insights, and tips for preparing for the months ahead.

Q. You are on the Leadership Development and IT committees. What do you hope to accomplish with these groups?

A. For the Leadership Development committee members, we are all hoping to grow closer to one another and to grow as leaders. Many of us are at a similar stage in our career. It’s been very helpful to rely on one another, support each other, and share ideas. For IT, data analysis is one of the biggest things we hope to achieve. NASA collects a ton of data. As a committee we are exploring the ways our members can leverage this data in practical ways.

Q. How did you get interested in the steel industry?

A. Initially, I didn’t want to go into the family steel business. I’ve always had an entrepreneurial spirit and wanted to strike out on my own. I started a business while still in college, but eventually made my way back to Huntington Steel. Dad made me start out at the bottom, sweeping the shop floor. I

had to work my way up through sales and purchasing. Now I'm the Vice President & COO. I'm thankful for the time I spent away from the steel business; it gave me a different perspective when I joined Huntington Steel.

Euler Hermes on How To Manage Risk

In May, NASA hosted a popular webinar with our operational supplier, Euler Hermes, titled ***The Economy – What next and how do we manage risk?*** Dan North, Chief Economist, Euler Hermes North America presented on the North American economic outlook and the effect of COVID-19. Lee Farhenz, Sales Vice President, Euler Hermes North America, also presented on what's next and how to manage credit risk.

"In the next 90 days, we expect to see bankruptcies and insolvencies. Many protracted default claims will likely become chapter 11, 7, etc.," said Farhenz during the May webinar. Farhenz shared these tips on how to effectively maintain your customer portfolio insured under your credit insurance policy during COVID-19:

- Be sure to file claims within the proper time-frame, as detailed in the terms & conditions of your policy.
- Report Past Dues on time and consistently, per your policy details.
- Set up payment plans for insured accounts.
- Continue to monitor the coverage on your customers in partnership with Euler Hermes.

"Many companies have experienced low historical bad debt. But this is a different economic environment. Every customer base is likely facing new challenges," Farhenz added. Now is a good time to reach out to your [Euler Hermes](#) contact to inquire about your current policy and customer coverage.

Check out the entire Euler Hermes webinar, along with other supplier webinars on-demand on NASA's website. Login to [View Webinars>](#)

NEW Tools for NASA Member-Owners



Member Logo & Brand Toolkit

Help create brand awareness and demonstrate the size and reach of NASA members across North America.

[Download the Logo and Brand Toolkit](#) for guidance on how to best communicate the NASA relationship and the benefits as a NASA Member-Owner to external customers, suppliers, and vendors. Coming soon - Supplier Brand Toolkit!

[Download Toolkit>](#)



LinkedIn Group for NASA Member-Owners

Interact, network and share best practices with fellow Members in our private LinkedIn group.

NASA Members, check your inbox for an invitation sent on July 16 to join NASA's private LinkedIn Group for NASA Member-Owners.

If you need help joining the group or have questions:

[Contact Us>](#)

THE POWER OF DATA & BENCHMARKING

WHY Benchmark?

Make informed decisions based on real data to help:

- Improve performance
- Increase productivity
- Strengthen operations
- Grow profits

HOW to Benchmark?

- Data collection is secure, timely and detailed
- Metrics help set goals based on performance of top performing peers
- Receive actionable reports and examine trends
- Assess historical performance and identify positive and negative trends over time

CoMetrics - A NASA Member Benefit



"This is what makes this so much better: you can trust the data. It's right out of our accounting system."
- NASA Member

As a NASA Member-Owner, you have access to the powerful NASA Benchmarking platform, powered by CoMetrics. Join other NASA members who use these tools to make strategic, data-informed decisions.

[LEARN MORE>](#)

Members in the News

In March, longtime NASA member **Bill Hickey**, Chairman of Lapham-Hickey Steel, was honored as the 2019 Steel Executive of the Year by the Association of Steel Distributors. While at the helm of the family business, Hickey grew the company from three locations to 10 facilities and more than 700 employees. **Congratulations to Bill for this worthy recognition!**

Congratulations **Cordreanne (Richardson) Heinzen**, Tampa Bay Steel, who was honored with the Jack Malec Chapter Leadership Award at June's MSCJ Annual Conference.

Do you have news you would like us to share in NASA Network or on our LinkedIn Profile? [Let us know>](#)

NASA California Office to Close

Effective October 1, the NASA office in Laguna Hills, California will close. Vicki Snemis, Executive Assistant, will work remotely after October 1 and continue to have regular contact with members, suppliers, and NASA colleagues. Be sure to direct all future billing correspondence, including rebate payments, to the Illinois office.

NASA Office

[2860 S. River Road, Suite 340](#)
[Des Plaines, IL 60018](#)

ACH Dividend Distribution

The NASA Board of Directors has unanimously voted that the co-op will now distribute the Patronage Dividend checks using ACH or direct deposit. This is in the best interest of the members and suppliers and will allow for more security of the funds, quicker distribution of the Dividend into your account, and streamlining the distribution process. Although we will no longer distribute paper checks in April and October, we will create a special event to celebrate the annual success of the co-op for the NASA Community.

An email with details on how to set up ACH was sent on July 28. Setup is required by **September 15, 2020** to receive your October Dividend Distribution. We will not distribute any dividend checks going forward. To set up your account for distribution, contact NASA's accountant [Terry Bowles](#).

NASA Forecast Conference Update

NASA's Annual Forecast Conference is scheduled for October 19-20 at the Westin in Rosemont, IL. The NASA Management Team has been working with the Westin to learn more about their health and safety procedures and social distancing protocols for meetings and events. During the July NASA Board Meeting it was decided that a final decision on whether to host the in-person meeting will be made by mid-August.

As of today, NASA is still planning to have the conference in October. However, based on the current outlook and the State of Illinois' current phased approach to complete re-opening and rules regarding events, we are also looking at alternatives to an in-person conference. We realize our Members and Suppliers value the face-to-face interactions and break-out sessions at our conference and want to provide the best experience possible given the circumstances.

Check your inbox or visit NASA's website in the coming month for details and decisions regarding the October Forecast Conference.

NASA Network is published by the North American Steel Alliance and is intended for the benefit of our members and suppliers. Feel free to share this communication with your employees. And let us know how we are doing! If you have an idea for an article or feedback to an item in this issue, please contact Colleen McCurdy, Director of Marketing at colleen@steelalliance.com



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