



Gallatin Steel Provides Red Hot Service Through Automation and Internet Electronic Data Interchange Capabilities

Ghent, Ky. -- By 2001, mini-mills produced nearly half of the steel shipped by U. S. mills according to the Steel Manufacturers Association. A mini mill uses recycled scrap metal versus iron ore. At Gallatin Steel, a joint venture between Canada's Dofasco Inc. and Gerdau Ameristeel (Tampa, Fl), that means reducing landfill waste by reprocessing millions of tons of scrap steel.

Mini-mill industry growth, such as that of Gallatin, can be attributed to numerous factors. The most significant factor at Gallatin is its increased production capacity to over 1.4 million tons of steel per year. With highly automated processes, low operating costs and efficient, flexible organizational practices; Gallatin Steel is able to attain world class cost advantages while improving product quality.

In addition, the company is embracing new technologies such as the installation of profile thickness and optical flatness gauges on its hot-strip mill. The new x-ray gauges represent a dramatic improvement in the instant measurement of sheet thickness, flatness and temperature across the entire width of the coil.

According to Arlyn Richards, Manager of Information Systems at Gallatin Steel, "The company is using automation through its Order Fulfillment software to schedule and electronically communicate the production requirements to process automation computers controlling each step in the manufacturing process. We produce every order to customer specification and ensure that the metallurgical properties of the steel produced will satisfy the specific customer's end use. Known as a heat, each batch of molten metal has different chemical and physical properties, in addition to dimensional properties. That's why the exact attributes for each order are tracked as the steel moves through all levels of production from heat to finished product."

A significant number of Gallatin's larger customers and almost all of their outside processing partners exchange production and shipping information through EDI (electronic data interchange) programs. The company also provides customers self-service access through its website. On the website, customers simply provide a user identification and password to verify their shipments and obtain the metallurgical certification of the product, allowing them to manage their supply chain more efficiently and deliver the final product to the end user. Employees can also access private company information through the same website interface.

Richards emphasized, "Gallatin's attention to detail also includes working safely. We believe a safe workplace is consistent with efficient operations. We provide training so every job is done the safe way, every time. This includes storing all safe job procedures online, thus ensuring all employees have access to the latest version of the procedures. The first half of 2004, Gallatin again reported excellent productivity and quality results while having no lost time accidents and maintaining an OSHA injury rate that is 88 percent better than the industry average."

Gallatin Steel consistently looks for ways to make the existing employee-base even more productive. Gallatin uses IT to help achieve this strategic objective. "We recently added the capability to send faxes directly to email without ever being printed on paper. This coupled with the capability of storing paperless faxes in our new Enterprise Content Management System and routing them to all who need them, results in a big gain in personal productivity", noted Richards.

Gallatin Steel is currently evaluating capital improvement projects that will allow substantial increases to the current production capacity.

About KY 120:

In the fast-paced world of technology-driven business, it should be recognized that best practices can be studied and emulated. As a part of the [connectkentucky](#) initiative, CITE is profiling business initiatives in each of Kentucky's 120 counties to identify lessons learned on the path toward successful and sustainable innovation.

Name: Gallatin Steel

Internet:

www.gallatinsteel.com

Products/Services:

Steel Recycler & Manufacturer

Location:

Ghent/Gallatin County

Leadership:

Don B. Daily, President
Tobin Pospisil,
Chief Financial Officer
Rob Levey,
General Manager, Commercial

Employees:

394

Founded: 1995

Reach: Regional

Innovative Insight: *"Everything we do is aligned with the company's strategic direction which is to provide a consistent, quality, product. The company has embraced technology as means to efficiency."*

Way Internet Has Made You

More Competitive: *"The Internet allows us to support our key customers through Electronic Data Interchange, helping them manage their supply chain more efficiently."*

Continue to Attract Best

Workers: *"We purposely sought out a central location situated in rural Kentucky. The area provided us with a dedicated workforce that we could train and provide continual learning opportunities to."*