



May 2007

Market Update

No Price Increase in the Forecast



There is a rumor going around that AB&I is planning to increase prices soon, and that an announcement to that effect is in the making. Let us set the record straight – there is no price increase planned for the immediate future.

The rumor that we were contemplating an increase got started, we think, with an article in last month's *ITEMS* about how much scrap iron costs have risen in recent months. While the price we must pay for scrap has risen dramatically, other production efficiencies in our plant, and our continued investment in new foundry technology, enable us to soften the impact of raw materials increases on the market.

"We understand that we cannot always pass along our increasing costs to our customers," said AB&I's Kip Wixson.

The increased scrap costs are the result of several factors, most of which originate overseas.

"The market for scrap iron has become international," continued Wixson, "so when there's a disruption in Asia or South America, we feel it here, too."

Inclement weather, port problems, and rapid economic growth in China and India have all contributed to the scrap iron price increases. Although these costs have risen quite rapidly, the need to pass these added

costs on to the customer has been tamped down by improved production methods and better controls on waste and energy consumption.

"We would never hint at a price increase in our newsletter," said Gary Wickham, AB&I vice president for national sales. "If we're going to raise prices, we'll tell everybody loud and clear so there is no misunderstanding and nobody gets caught off-guard."

It is AB&I's policy to give the market as much notice as possible regarding a price increase, since contractors and others need to plan their jobs so far in advance.

"Surprise price increases don't do anything to add stability to the market," said Wickham.

We also recognize that, to make friends at the contractor level, whether our costs increase or not, we will not be allowed to raise prices unless the market accepts it.

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Perspective

We All Know Jackie Robinson Was a Hero, But What About Larry Doby?

Can you name the second person to fly solo across the Atlantic? How about the second person to step on the moon? Yeah, me neither.

We all know that 60 years ago last month, Jackie Robinson dressed for the first time in a Dodger uniform and took the field, unleashing an avalanche of insults, beer cups, racial slurs, and even death threats. We all know how he put up with that garbage long enough to distinguish himself as a serious player, even winning the MVP, and went on to receive accolades for having the courage to help change a nation.

But what about Larry Doby?

If you're like 99% of the rest of the population, your first response may well be, "Larry who?" Well, let me tell you a little about Larry Doby.

Just three months after Jackie Robinson took the field as a Dodger, Doby donned an Indians uniform and took the field, becoming the first African American ever to play on an American League team. Like Robinson (who Doby referred to as Jack), Doby took the brunt of some of the worst racial attacks to ever confront a professional athlete. He caught grief from fans, opposing players, even his fellow team mates, some of whom wouldn't so much as shake his hand when introduced.

Although Doby was caught up in the same racial maelstrom that surrounded Jackie Robinson, he got virtually no press coverage, and certainly none of the hero status that went to Robinson in the fullness of time. During a press interview, when the reporter hinted that he had had an easier time of it, Doby shot back, "It was eleven weeks between the time Jackie Robinson and I came into the majors. Eleven weeks. Come on, whatever happened to him, happened to me."

Some say it might have actually been tougher on Doby than on Robinson. Jackie Robinson had nearly two years to prepare for his Major League debut, having played in the minors and in the International League in Montreal. Doby,

on the other hand, went right from the Negro League to a major league roster in mid-season. While Robinson had pre-season sessions with team owner, Branch Rickey, to practice strategies for his personal and professional survival, Doby had none of that. He was simply called up, given a uniform and told to dress for the game.

Not all of his fellow Indians disliked Doby. Joe Gordon, Jim Hegan, Steve Gromek and Bob Lemon befriended Doby early on, and defended him in many situations. And, to be fair to his team mates, not all of the animosity expressed toward Doby was due to his skin color. Another huge factor in personal acceptance in those years was longevity in the league. Veterans were accorded respect, but rookies were looked down upon, and even shunned, since many pros saw them as trying to take their jobs. So, Doby got a double shot of scorn, one for being black, and one for being the new kid on the block. The pressure must have been enormous.

And that pressure came out at his first at-bat in his first game. The sportswriters were all in agreement that he looked very nervous stepping up to the plate. He swung at the first pitch, but missed (some say by a mile). He connected with the second pitch and sent it screaming down the third base line, but it curved foul. He took the next two for balls, but then swung wildly at the fourth pitch, striking out and sending him back to the bench.

Several later accounts of that first trip to the plate have turned out to be inaccurate, the result of faulty memories and the passage of time. For example, the Indians owner, Bill Veeck, recalled teammate, Joe Gordon, taking the plate right after Doby, and intentionally striking out to soften the impact of Doby's failed first at-bat. Legend has it that Doby was so appreciative of Gordon's gesture that, from that moment on, he would always toss Gordon his glove each time they took the field.

Well, this legend has been disproved by the record. Gordon didn't bat after Doby in that first game, so could not have done what Veeck remembered. But just the fact that

Veeck and others recalled that first game so vividly (if inaccurately) is testament to the importance that some people placed on Doby's introduction to the Bigs. Robinson got all the media attention, but there were those in the game who knew that Doby, too, was making history.

While making history as an African-American athlete in a previously all-white sport, Doby managed to play some pretty good ball, too. A center fielder for most of his career, Doby played in seven All-Star games and finished second in the 1954 American League MVP voting.

He was also appointed manager of the White Sox in 1978, again being just the second African-American to hold a management position in the Majors.

So, who was Larry Doby? History records him as the second person to do something important. Like the second person to walk on the moon and the second person to fly solo across the Atlantic, Doby remains relatively obscure, except to those who worked with him and knew him best. For them, he broke a mold, and they will always remember him for that.

While I was reading about Jackie Robinson, another little tidbit crossed my desk. It was a news story about how a Georgia high school is planning their first-ever integrated prom.

Say, what?

That's right. Apparently, up to now, students at Turner County High School in Ashburn, Georgia have held two proms on different nights; one for white students, and one for black.

It's not an enforced rule, it just sort of worked out that way, say the students. "The white people have theirs, and the black people have theirs," said clueless student Mindy Bryan, "It's nothing racial at all."

To anybody who thinks that racism is dead in America, call the kids at Turner County High, then think about Larry Doby. We've come a long way, but we're not quite there yet.

Building Your Business on T.R.U.S.T.

A recent article in Entrepreneur.com outlined a system for building any business on the basis of trust. Not just trust, but T.R.U.S.T., an acronym for the major qualities in outstanding businesspeople.



1. **Truth.** The single best way to lose business is to get caught telling a lie. Any lie, even a little white one. Even if the information you give your customer could jeopardize the sale, the best salespeople always tell the truth. In the long run, being absolutely honest will pay dividends - which also happens to be one of the top traits that high achievers throughout history have had in common.

2. **Reliability.** Every time you do what you said you would do, you build reliability and add to trust. Every time you follow up after the sale, you're building trust. And every time you react quickly to a special need or problem, you're setting yourself apart from the competition and building trust.

3. **Understanding through common efforts.** When you take the time to understand your customers' needs, you're building trust. Asking questions to gain a better knowledge of your customers' business requirements builds trust.

4. **Service.** There's no better way to build trust than through ongoing personal service. If a customer leaves you, do you know why? Do you ask? Are you a useful resource for your customers? Do you do more than the basics? Do you try to help your customers improve their bottom line?

5. **Take your time.** Building genuine trust does not happen overnight. It's the many little things you do over time that builds lasting relationships. The follow-up calls, on-time deliveries, solved problems, and myriad details all add up.

Think about it. If you lose a customer and don't know why, you had no relationship to begin with, you had no trust. Build value for yourself and your company, and reap the rewards.

Contractors Encouraged to Try Figure Fittings

If you are one of the thousands of contractors out there who have never used a figure fitting, AB&I encourages you to give them a try.

"It's incredible how much work they can save, and how much they can improve profitability on a job," says AB&I's Gary Wickham.

Figure fittings take the place of the time-consuming fabrication of common plumbing systems. Instead of assembling a combination of fittings to create a given system, the figure fitting comes pre-formed to do the job.

"They not only save time and money, but also reduce the chance of a future joint failure resulting in a call back," says Wickham.

For more information, contact your field sales representative or AB&I at 800-GOT-IRON.

Suffian Catches Us in a Typo



A special thank you goes out to Mike Suffian of Atlas Supply in Seattle, who contacted us regarding a typo we made in the March edition of ITEMS.

In that edition's Perspective column, under the heading, "Why Do Customers Stay With You and Why Do They Leave," we added an "s" to the word "say," causing a grammatical error that leapt off the page.

We apologize for the error, and appreciate Mike's attention to detail, and hope the people at Atlas appreciate Mike's intensity. We just hope this error wasn't enough to make him one of those customers who leave...

China Urges End to Polluters Tax Breaks



It appears that even China is getting tired of the filthy air and water that their factories are spewing out, and at least some government leaders are suggesting that the generous tax benefits many of these plants get should be sharply curtailed.

"We must recognize that the situation the nation faces regarding energy conservation and emissions

reduction is still quite grim," said one leader at a recent meeting of top officials.

Goals that the country has set for itself to reduce air and water pollution have not been met and, in some cases, the problem has gotten worse. For instance, sulfur dioxide emissions have increased nearly 2% since the reduction goals were set, setting the pollution reduction goals back by several years.

It appears that China is simply unable or unwilling to make the

technology investments that would enable them to meet their objectives.

AB&I has long been on record objecting to China's extreme pollution, some of which actually reaches the West coast of the U.S., carried on air currents across the ocean.

We encourage China to make the changes necessary to clean up their environment. Ending government subsidies and enforcing stricter pollution controls would go a long way toward meeting these goals. The Chinese economy, not to mention its people, would benefit greatly from these changes.

"It appears we have appointed our worst generals to command our forces, and our most gifted and brilliant to edit newspapers! In fact, I discovered by reading newspapers that these editor/geniuses plainly saw all my strategic defects from the start, yet failed to inform me until it was too late. Accordingly, I am readily willing to yield my command to these obviously superior intellects, and I will in turn do my best for the Cause by writing editorials - after the fact."

-Robert E. Lee

Just for Fun...

Five Things Your Congressman Won't Tell You

1. I can't lose. Over 90% incumbents win every election due to the way districts are drawn. Also, sitting congressmen have office staffs paid for by taxpayers, while challengers must pay for everything themselves.

2. I'm above the law. In just the past year or so, one congressman rammed his car into security barrier, emerged from the car "impaired" with "unsure balance" and "slurred speech." Did he get a sobriety test? No way. Another congressman assaulted a capital hill security officer. Punishment? Are you kidding? Yet another was caught with \$90,000 cash hidden in his freezer at home. Did he get arrested or charged? Sorry. The fact is, congressmen get away with crimes and other offenses at an astounding rate. Why? Who do you think pays the police force in Washington, DC.?

3. I don't read the bills I vote on. Most bills are hundreds of pages long, with exceptions for this and that, and enough details to make any lawyer's eyes go crossed. The result is that no legislator reads all of the bills he votes on.

4. Congress is just a stepping stone to the really big money - lobbying. Congressmen do pretty well, but the big bucks on Capitol Hill go to the industry lobbyists who represent business and other interests.

5. My health care and pension benefits are way better than yours. Retirement bennies kick in after five years and will bring the congressman twice that of a comparably-salaried private sector pension. If elected before age 30, a congressman can retire with an outrageous pension by 50, collecting for 30-40 years in most cases.

How to Properly Place New Employees

Put 400 bricks in a closed room. Put the new hires in that room and close the door. Leave them alone for six hours, then analyze the situation.

If they're counting the bricks, put them in Accounting.

If they're recounting the bricks, put them in Auditing.

If they have messed the whole place up with bricks, put them in Engineering.

If they are throwing bricks at each other, put them in Operations.

If they are sleeping, put them in Security.

If they are sitting idle, put them in Human Resources.

If they have tried different combinations, yet not a brick has been moved, put them in Sales.

If they have left for the day, put them in Management.

If they are staring out the window, put them in Strategic Planning.

If they have surrounded themselves with bricks in such a way that they can neither be seen nor heard from, put them in Congress.

