IT’S WHO WE ARE.
IGNITING POSSIBILITIES
ONE OF THE FACTORS MOST CRITICAL TO A COMPANY’S SUCCESS IS ITS CULTURE AND THE PEOPLE WHO EXCEL WITHIN IT.

I heartily thank each of you, our extraordinary employees, for your ongoing passion, innovation and dedication to excellence. Without a doubt, you are some of the most talented, creative and innovative minds in the industry, working every day to provide quality products to our customers in the safest way possible. The Steel Dynamics story begins and continues today with you, our employees.

On the following pages, we share your stories, which underscore the entrepreneurial spirit that is at the core of our company’s DNA. They exemplify our common goal of consistently achieving excellence in all we do, which requires each of us to perform at the highest level.

You are all the “key” in our continued success to drive toward industry-leading safety, operating and financial performance, and ensure we consistently exceed our customers’ needs. Your stories represent who we are at our best. They exemplify the culture that has been cultivated throughout our company and your remarkable dedication. I’m honored to share your experiences and look forward to many more in the years to come.

Mark D. Millett
Co-Founder, President and Chief Executive Officer

Safety
Customer Commitment
Culture

Growth
Innovation
Financial Strength
Creating and maintaining a safe work environment is core to our values. We want every individual to go home safely at the end of each shift and take an active role in remaining safe both on the job and at home. Our goal is zero incidents – no accidents, no lost workdays, no injuries. We will not be satisfied until our goal is achieved by taking team-based and personal responsibility for creating and maintaining a safe working environment at every location.

Every individual must take an active role in safety and look out for each other. We also believe that if you act safely at home, you’ll also work safely on the job.
Every once in a while, in the early days, I would drive over to the Butler plant early in the morning and talk with the guys on shift. One morning I dropped off some profit-sharing checks, then walked into the cold mill. I watched an employee I'd never met before efficiently packaging a coil. He noticed me smoking a cigar and told me I couldn’t smoke in the paint line shipping bay and I had to put it out or leave the plant. So, I decided to take a walk around the outside of the mill.

In the meantime, this employee talked with his supervisor and told him he just kicked out a truck driver for smoking. As I was walking, I ran into the supervisor who quickly realized the truck driver was in fact me. This employee did the right thing by putting safety first.

On the way to the company picnic a few months later, I bought a gift card at a restaurant. While I was speaking at the picnic, I called that employee up to the front with me. At first he thought he was in trouble for throwing me out, but I told the story of what he did and told him he did the right thing. The gift card was recognition from my family for putting safety first.

We actively engage employees with safety in a number of ways. A great example is our Zero Accident Program (ZAP) cards. Our employees have access to ZAP cards where they can note safety observations and potential concerns. They act as a suggestion box for safety-related items. We expect employees to observe their environment and complete ZAP cards.

It could include anything from observing an area where excess water collects and could turn to ice during the winter months or stopping employees from putting themselves in an unsafe situation. ZAP began at OmniSource facilities in North Carolina but is now being used at nearly every location. As a result of ZAP and other initiatives, our safety performance has improved every year.
I came to Steel of West Virginia in 1987. At that time, we had 116 lost-time injuries in one year. Ten years later, when Steel Dynamics acquired us, we had dropped that number to five. With the support of Steel Dynamics, Steel of West Virginia continued the advancement of our “safety first” culture, and in 2012, we achieved a zero-lost-time injury calendar year. The Steel Manufacturers Association recognized this accomplishment and awarded us the distinguished 2012 Don B. Daily Safety Achievement Award.

Prior to joining the SDI family, Steel of West Virginia had five previous owners, one of which was an investment group. We would travel to the group’s headquarters each quarter. Not once in their seven-year ownership was safety a topic of conversation at those meetings. That is just the opposite of SDI’s mindset. Safety is always the first topic at every meeting we have, which is a personal pleasure.

At Steel of West Virginia, we have a safety committee comprised of production workers and managers, which is led by our safety director. The committee meets monthly and provides an open dialog where suggestions are made and safety issues are discussed. Both the production worker and management members of the committee have bought into a “safety first” culture where everyone works together to promote the safety of our employees. Ideas for safety improvements come from the employees who do the work as well as those who manage the work. We all review how recordable injuries have occurred at other steel companies and facilities to learn from them. And every year, we shut our plant down for 24 hours to have meetings with all employees, taking time to go over every recordable incident which has occurred at our plant, re-enact how the injury occurred or show what happened if available on video, and assess how the incident could have been prevented.
As we add equipment and change production processes, we must continually assess the safety impacts. When improvements were made to one of the casters at the Structural and Rail Division, we identified a potentially dangerous pinch point. One of the casting operators, Jeff Barber, worked with Trent Conrad, engineers and operators to design a solution that mitigated a potentially unsafe condition.

With the construction of caster number two, he designed nozzle-changing “shooter gates” that hold the nozzle plates that control the flow of steel from the tundish to the mold. Emergency functions programmed into the caster’s PLCs control the gates in emergency situations so operators don’t have to intervene. The system added production and safety benefits in the casting process.

Because we have a culture that empowers employees to come up with their own solutions, we were able to install a process that enhanced safety and avoided potential injuries.
TAKING SAFETY HOME

ANDREW ABLES // OmniSource

We had 200 safety injuries a year before becoming part of SDI. We now believe zero is achievable. Within our culture, safety isn’t just lip service. It’s the first topic at every executive meeting and we discuss every injury.

Employees take an active role in safety, so they make a concerted effort to be safe and look out for each other; to be safe each and every moment of each and every day. Safety alerts are used both on the job and at home. Within our culture, we believe if you act safely at home, you’ll also work safely on the job.
CUSTOMER COMMITMENT

We focus on staying our customers’ preferred partner by providing outstanding products and solutions that exceed expectations, as we anticipate their future needs and deliver greater value.
INVESTING IN CUSTOMER SUCCESS

JASON REDDEN // OmniSource

One of our customers is a stamping facility that’s around 50 – 60 years old. They'd primarily maintained the same processes when we started working with them. One of our representatives observed they were only loading about 48 tons of scrap in each railcar. He recommended that if the customer shredded the material and then loaded it into a railcar, they could load several more tons per car, saving freight costs.

It would involve investing in an on-site shredder, and the customer didn’t have the capital to make that kind of investment at the time. So OmniSource provided the capital and installed a shredder onsite at the customer’s facility. The customer then used the freight savings they realized within three months to pay OmniSource back for the equipment. They can now load 72 tons of scrap per railcar and are realizing approximately $60,000 of additional revenue per month as a result.

Our representatives constantly look for ways to help customers, which makes them want to do business with OmniSource for many years. That’s part of the SDI culture.

UNITING EFFORTS FOR OUR CUSTOMERS

TOMMY TUSCHMAN // OmniSource

The development of our scrap management philosophy at OmniSource is a perfect example of SDI’s superior operating culture. The core principles of scrap management are centered on strategic partnerships with our customers. One example is a large automotive customer who recognized the opportunity to improve its scrap handling operations and asked us to replace their outdated systems with world-class and innovative scrap management systems.

OmniSource put together a cross-functional team of employees to plan a new facility. The team was empowered to search beyond conventional wisdom and explore new ways to accomplish the customer’s objectives in the most efficient and cost-effective manner.

We implemented a number of innovations, including a complete re-engineering of the materials handling process, installing more powerful and efficient scrap processing equipment and maintaining a philosophy of continuous improvement by doing little things better that resulted in setting even higher standards.

Within the SDI culture, we work hard to be good partners to our customers, and satisfying them requires the united efforts of many.
Back in 2002, we decided to make a concerted effort to pursue a supply arrangement with a large automotive manufacturer. The president of a steel processing company, Keith Busse and I drove to Troy, Michigan, to an automotive manufacturer’s corporate purchasing headquarters. We met with a procurement specialist for flat roll products.

We proposed an indirect arrangement in which the steel processing company would be the primary supplier, and SDI would supply them with 100% of the flat roll product needed for this automotive manufacturer. The procurement specialist thought the idea was interesting and wanted to consider it. As we were getting ready to leave, he asked if we made high-strength steel. The company was facing a shutdown at one of its assembly plants due to difficulties they were having with materials recently provided by one of its suppliers. As a result, they had insufficient parts to keep the line running. To idle an auto assembly line is very costly, so they were looking for a solution.

Keith told the procurement specialist if he provided a purchase order, Steel Dynamics could help them. The challenge was that SDI was not yet an approved supplier at the company. Keith told the specialist if he provided the specifications for the coil they needed, there would be finished coils cooling on the floor of the Butler plant by the time the three of us arrived. And that’s exactly what happened. But the fact didn’t change that we still had to be an approved supplier.

I had a contact at the steel processing company that was the supplier of the item in question at the time. He was 100% confident in our product based on past experience and worked with the auto manufacturer to secure a waiver that allowed us to provide flat roll to his processing company for that particular part.

We helped the company avoid an assembly line shutdown and continued supplying flat roll to them through the steel processing company. And the procurement specialist is now the vice president for a company that is a current SDI customer, so we’ve maintained that relationship with him over the years.

It’s a great example of our can-do/will-do culture. Give us an opportunity and we’ll prove we can make it happen.

An automotive manufacturer was doing a demolition at its Fort Wayne facility and wanted to split the scrap recovery business between us and another company. The other company ended up not having the equipment available when it was needed, so the manufacturer called us at 4 pm on a Friday and asked if we could get more boxes at their site so they could load their scrap. Within 3-4 hours, we responded and had the equipment there, which allowed the demolition project to continue without costly delays. Now we have a better opportunity to do more work with the manufacturer. That’s why it is so important to be a good partner to our customers and be there for them when and where they need us.
CUSTOMER COMMITMENT

A FOCUS ON LONG-TERM RELATIONSHIPS

TOMMY TUSCHMAN // OmniSource

We work very hard to develop long-term mutually beneficial relationships with our customers. One example is a relationship with a steel manufacturer for which OmniSource was the primary provider of scrap for one of their mills. They counted on a supply of scrap from us, so we built a strong relationship based on trust and integrity. They knew they could count on us.

When their Vice President of Purchasing went to work at another steel manufacturer, he discovered the company wasn’t developing enough suppliers of #2 shredded scrap to feed the mill efficiently and cost-effectively.

Due to our long-term relationship, the same Vice President of Purchasing asked us to review the scrap supply issues. We conducted an operational and marketing study and developed a strategic plan to eliminate their supply issues. As a result, we entered into a long-term agreement with the company to design, construct and operate a new, state-of-the-art shredding installation.

OmniSource’s Global Shredding Technologies subsidiary operated the facility and was responsible for all sourcing of raw materials for the shredder. The facility was located on-site in close proximity to the mill and furnished over 200,000 gross tons of high-quality shredded scrap annually. Without the excellent relationship we’d built with their Vice President of Purchasing, we would never have had the opportunity to develop a strategic partnership with this company.

“We work very hard to develop long-term mutually beneficial relationships with our customers.”

Steel Dynamics  |  Igniting Possibilities
Our entrepreneurial culture fosters a team of energetic, positive, driven and innovative individuals by utilizing open communication and performance-based compensation aligned to our strategic focus. This results in our safe, low-cost and highly efficient operations, which drive “best-in-class” operating and financial performance.
I was walking through the New Millennium plant in Hope, Arkansas, with Chris Graham. My background is in steelmaking, not building systems, so as we were walking, I asked Chris what we were seeing and how he knew if a team was performing with the greatest efficiency. Chris told me to look at the sparks from the welding process and asked if I saw them all sparking at the same time. He explained that if all eight people on the team don’t spark at the same time, someone is missing a beat, which affects efficiency.

Next, we walked to a rigging table where there are pieces of angled iron that weigh about 200–300 pounds. The team has to reach behind them and move the iron over their heads onto the table in a very choreographed manner. Chris observed one employee who was lifting slightly earlier than the rest of the team, which was causing extra stress and fatigue on that employee. Chris walked down to the area where the employee was working, talked with him and actually showed him the most efficient way to do it.

When a team sees a seasoned leader doing work right alongside them, that’s incredibly inspiring. Most of the top leaders at SDI worked their way up through the trenches, which I believe is integral to the culture we’ve built at our company.

“Most of the top leaders at SDI worked their way up through the trenches, which I believe is integral to the culture we’ve built at our company.”

After Hurricane Katrina hit, our primary hydrogen supplier was 20 feet under water. Hydrogen is needed for the manufacturing of coated steel, so we turned to our secondary supplier and discovered they were on a year-long maintenance shutdown.

Hydrogen is a regulated commodity, so we were facing a challenge in finding an adequate supply. Employees at our Jeffersonville plant thought of hydrogen-generating equipment that was used 20–30 years ago, but could still work for our needs. They found the equipment and immediately called the seller. We wired the payment for the equipment and picked it up the same day.

By the time our team arrived to pick up the equipment, there were 3–4 other companies inquiring about the equipment. Because our employees were proactive and we were able to take action quickly as a company, we got the equipment, had it installed the next day and resolved the issue.
At our Butler facility, we have held an annual United Way campaign for many years. Our employees and managers all come together to donate money for the cause. In 2009, it was a really tough year in the steel industry and the economy in general. I knew it was going to be a difficult year for the campaign.

At the shift changes, employees would fill out their United Way paperwork and I’d go in and talk to them. I told them I realize we’re not making as much money, but many others out there are making a lot less. By the time the campaign wrapped up, we had donated more that year than previous years, which is truly a testament to the people who work here.

“By the time the campaign wrapped up, we had donated more that year than previous years, which is truly a testament to the people who work here.”
MY ROAD TO STEEL DYNAMICS

JORDAN BREINER // Flat Roll Steel Group

I was working at another company, a bureaucratic and top-down type of company. While leading a “Strategic Survival” team for my division, a team member and I seized an opportunity to hear Keith Busse, Mark Millett and Dick Teets speak in Detroit on “Managing Technology.” Each of the three SDI founders said essentially the same thing: “Anyone can buy this equipment; no one will duplicate our culture. Our employees are our greatest asset!” The way each of them expressed this value, it was clear that they actually meant it. As a competitor, this was devastating to hear.

On our way back home from Detroit, I called a friend who worked at SDI and jokingly asked if we could get a tour. He asked Glenn Pushis, who was the Cold Mill Manager at the time, and to our surprise, he allowed the tour. A few months later, Glenn called and asked me to come up to Butler to interview for a job with SDI.

I wasn’t looking to leave my current position, but I agreed to come up for the interview. While touring the cold mill with Chris Graham, I was amazed at how engaged the hourly guys were in coming up with a solution to a problem they were having on the Galv line. I was seeing Keith, Dick and Mark’s “greatest asset” in action and that really impressed me. Later, while interviewing with Dick, he explained that he wasn’t going to pay me more money to come work at SDI. “I want to know that you want to be here and that you’ll trust that things will work out,” he said. I am very happy I did just that.

OPPORTUNITY ABOUNDS

CHAD BICKFORD // New Millennium Building Systems

I compare working at SDI to being on a multi-lane super highway. All lanes are open for employees to explore and excel within as they desire. I was hired as a sales engineer, but through the freedom to engage other departments and build on my knowledge of the business in its entirety, I was able to grow into other areas of the company, eventually earning a leadership position.

Being able to interact with SDI’s leadership daily is something that is unique to our culture and available to all employees. The support and encouragement I have received while expanding my role and exploring other lanes is something I value and will provide for others as I continue my career with SDI.

“I COMPARE WORKING at SDI to being on a multi-lane superhighway.”
THE EFICIENCY OF A TEAM

BOB BLY // New Millennium Building Systems

In the very early days of the Butler Flat Roll Cold Mill facility, we had a company that wanted to sell us a coil packaging machine. We brought them onto the floor so they could observe our process and determine what they wanted to recommend to us. After observing our team for only a few minutes, the equipment supplier said there was nothing they could do to make us any more efficient than we were already. They had never seen such efficiency before.

Our employees were never told how to package coils. They came up with their own process. Where most facilities would have three to four full-time people packaging coils, we had one. Operators and cranemen from the two Galv lines would assist the packagers when they had time, and it worked. We hired the right people, showed them what a finished coil should look like and that was all we had to do. We did eventually purchase a coil packaging machine 15 years later because we began shipping coils further south and needed special packaging that would keep moisture out during transportation.
I interviewed with Mark Millett back in 1996 during the very beginnings of SDI. During the interview, he asked me what I was looking for in a job. I said I was looking for a challenge, and that's what I got. I remember working on the furnace 2 expansion at Butler. I'd come in on the night shift because I could get more done. Sometimes I'd find the contractors had cut one of my conduits to make way for the pipe they were installing. So, I'd re-do my conduit and hope they didn't cut it the next day. We applied a lot of our learnings from the first furnace installation. It was still a lot of trial and error, but we overcame every challenge.

Before SDI, I worked at a few different companies where you'd hear "that's not my job" all the time. You don't hear that at SDI.

SDI is great about providing continuing education to its employees, so we can earn additional certifications and learn new things. The company also offers internships to college students. In fact, my son has had three internships at two SDI facilities and is now studying to become a metallurgist. I'm proud of him and of SDI for offering those opportunities.

I get the privilege to bring teams of people together from across the company to work on large acquisition projects. Being on these teams involves working outside of an employee’s regular job role, so it's almost like a volunteer corps. These can be lengthy, involved projects that require a lot of teamwork and effort.

On one such project, we were putting together a transaction to buy several scrap yards in the south to support the Columbus Flat Roll Division. We had 50+ people involved from across the company. Employees from SDI, OmniSource and New Millennium all provided their expertise, which often interfered with nights, weekends and vacations. It was a very challenging process with a difficult seller. In the end, it wasn't the arrangement we wanted, so we terminated the project and abruptly halted discussions. While it was hard to stop the great momentum we had going, there were no complaints from the team as they understood it was the right decision for the company.

At SDI, we celebrate our successes (on occasion to legendary heights), but in this case we recognized the project's demise by celebrating all the hard work that went into it with a "wake." We thought maybe eight people would show up, but at least 40 team members came and stayed for hours. It was an eclectic mix of top-quality folks from all over the company, all coming together as one team. The Columbus Flat Roll Division, which had been part of the effort, even sent a large floral arrangement to the celebration.

A few months later, the project resurfaced, and everyone came together again, rolled up their sleeves and this time it worked out. This is one of the examples of how, even when facing difficulties, our company sticks together. That's not something that happens at every company.
TEAMWORK OVERCOMES CHALLENGES

RICKY ROLLINS // Flat Roll Steel Group

In 2008, we upgraded the furnace at the Butler Flat Roll Division, raising the walls by five feet. We ran into a challenge because the electrodes would now have to be five feet longer, which meant there would be a greater chance of them breaking. Some of the experts we talked to said they’d break when scrap was put into the furnace, and they were right. In a normal month, we’d break 12–13 electrodes and with the upgraded furnace, we broke 30 in one month.

We worked as a team and would try different ideas to solve the issue. As a manager, it was fun to see the team pull together. All that mattered was finding an idea that would provide the best solution. Two or three years after the upgrade, we had fewer breaks per month than we did before the upgrade. It’s exciting to see that kind of teamwork.

INCENTIVES DRIVE PERFORMANCE

CHRIS GRAHAM // Manufacturing Group

Within our culture, we give responsibilities and accountability to employees on the floor. The supervisor and the crew must be on the same incentive program so they trust and support each other. You put them on a level playing field and then unleash their power.

We incentivize people, align their interests and watch them succeed. When you align interests, it then radiates out and drives what we do. The more our employees make, the more our company makes, which creates job security, stability and shareholder value. You just have to put the right system in place.
COMING TOGETHER AS A TEAM

BILL KAUTZ // Corporate

Several years ago, we restarted a joint venture in which we’d been a partner. We came to the point where we needed to either take over the project entirely and run with it, or walk away from it. Our team met and decided this was something we could do.

While the venture was being refitted and restarted, the whole team was committed even when they had their own jobs to do. We staffed it with a team from our Structural and Rail Division, who worked on their days off. Everyone did their part and had great attitudes throughout.

We spent about six months getting the project started and got it further than others had from an operational standpoint. Overall, it was a testament to our team and how they came together with an amazing can-do attitude.

A CULTURE THAT DRIVES SUCCESS

TIM GEPHART // Flat Roll Steel Group

Our culture is a big part of our success at SDI. From our incentive system to our approach to safety, to empowering our employees, our culture drives us forward. Even after 20 years, we still see new challenges, and our employees continually innovate new ways to solve them within the environment we’ve created at SDI. I believe that you’ll never win if you don’t have a challenge.

Our incentive system and our entrepreneurial character drives us toward achieving our goals. It’s all part of our culture, but it’s something we have to care for and protect. That means following up with employees when they give us feedback or ideas and giving them the tools they need to try out their ideas. Culture isn’t just something that comes from the top down. It’s something that every person at SDI has to reinforce with each other every day.
GROWTH

We are one of the largest steel producers and metals recycling companies in the United States, with one of the most diversified, high-margin product portfolios. Our track record of growth has driven this diversification in both end markets and product offerings to sustain continued higher volume and profitability throughout both strong and weak market environments. We are squarely focused toward continued strategic growth, both organic and transactional.
THE DIFFERENCE IS PEOPLE AND CULTURE

CHRIS GIONTI // Long Products Steel Group

In 2003, SDI purchased the Engineered Bar Products Division, which was shut down at the time of acquisition. A group from the existing facilities went to the area looking to hire individuals who would work well within the culture of Steel Dynamics. Very little equipment was added after the purchase. Through the right hires, modifications to equipment and hard work, the mill has become one of the most successful SBQ mills in the U.S. The difference is the people, our culture and our operational excellence.

SDI’s incentive system has played a big role in that successful transition and start-up. The prior organization lacked a pay structure that could get the most out of their people and equipment. At SDI, every employee is a mini-engineer who works to solve problems instead of just leaving it to the actual engineers. This is our culture at work.

THE INCENTIVE SYSTEM AT WORK

JOE CRAWFORD // Long Products Steel Group

On April 12, 2006, we became part of the Steel Dynamics family. It was SDI’s first acquisition of a plant that was in operation. We had an incentive system in place, but there was much less pay at risk than SDI’s system. On July 1 that same year, SDI’s production incentive system took effect. Work schedules, profit-sharing calculations, incentive calculations, holidays and vacations all changed. Many of our employees who had worked at the facility for 25+ years were skeptical.

It didn’t take long to convince employees that SDI’s incentive system and earnings potential were better. We achieved record production the following month, in August, and 2006 was the best production year we had in the facility’s history. Within the SDI culture, you’re in charge of your own destiny. Whenever there’s a piece of equipment down or an issue, we have production employees come from all over to help get the plant running again. We’re constantly asking how we can do things better, how we can improve operations and productivity. That’s a direct result of the SDI culture.
STREAMLINING THE SUPPLY CHAIN

GLENN PUSHIS // Long Products Steel Group

We had a claim from a paint line customer that the galvanized steel we were shipping them had wavy edges. A team of us went to the customer’s facility to try and solve the issue. Because they’re a processor of steel from many different companies, they had a leveling machine they used at the beginning of their process. The steel going into it looked flat, but coming out, it had a wavy edge. So we determined it was their leveler that was causing the problem.

While we were there, we asked for a tour of their paint line. We walked through the line and saw that it really wasn’t very complicated compared to our galvanizing and processing lines. We knew we could run the line with 30-40 people, instead of the 100 people they had running their facility.

We quickly made a decision to install a paint line at our Butler Flat Roll Division. It was a game changer. The technology wasn’t disruptive, it was already in existence, but it was how we used it. We took the supply chain and streamlined it. Prior to that, a customer would buy coil and then have to ship it to another vendor who could paint it.

When you paint, up to 2% of the coil can be wasted if the line has to stop or there’s some other issue. So it’s less material they can use even though they’ve paid for all of it. The customer also incurs extra costs shipping the coil from the steel manufacturer to the paint line and then to the end-use location.

By building a paint line, we can offer customers a better price, eliminate extra shipping costs and remove yield loss. And if there’s an issue, they only have to talk to one supplier, not multiple suppliers. It streamlines the whole process. Now we have paint lines at Jeffersonville and Columbus, in addition to Butler.

INTEGRATION WITH COMPASSION

MADHU RANADE // Flat Roll Steel Group

Whenever a company gets a new owner, it’s an uncertain time for employees. The Columbus location had been bought and sold several times in its short history. But when SDI purchased it in 2014, it was immediately different.

The company’s leadership, Mark Millett, Dick Teets and Chris Graham, reassured employees not from a distance, but in person many times over the course of the integration. Chris played a significant role in shepherding Columbus into the SDI family and met with all employees to ensure he understood every concern, answered their questions and explained to them the SDI culture.

We had a person we could really count on who shared SDI’s experience from its other operations. Being a younger plant than Butler, we were able to learn from the teams there who freely shared and continue to share their expertise so we can continually improve.

“IT WAS A GAME-CHANGER...WE TOOK THE supply chain and streamlined it.”
In 2000-2001, 36 of the 52 steel-making companies at the time went bankrupt or completely out of business. It was an extremely challenging time. Tens of thousands of steel workers were laid off. Two companies managed to make money during that time, and SDI was one of them.

We were taking every order we could get. For example, an automotive customer came to us needing .056" high-strength steel, which we had never produced before. Most integrated mills couldn’t run it, so our team came together and figured it out. Now only two mills in the world can run this product. Even in that incredibly tough time, we found a product that provides more margin and satisfies a customer need.
Through employee creativity and ingenuity, we drive innovation to improve safety, quality and productivity, implementing innovative technologies and processes in order to perform at the highest level and consistently achieve excellence in all that we do.
Dick Teets, Mark Millett and I had worked together at Nucor Crawfordsville. After a time, we knew it was the right moment to chase the American dream.

The three of us met, and I proposed that we strike out on our own and build a new steel company—one that takes technology further than people ever thought possible and one that would create a culture even greater than we had known.

At first, they thought I was crazy, but I explained that it would never happen if we didn’t have the courage to try.

We worked in our free time developing a business plan. After a few months, some strategic investors, including a scrap supplier, OmniSource, and a customer for the steel we would produce, Heidtman Steel, agreed to back us. We knew if we had these two strategic suppliers, we could succeed.

We traveled the world to secure the remaining financing. In late 1994, we began building the Butler plant. Thanks to Mark and Dick, and the tenacity of our employees, we built the mill in 14 months, which had never previously been done. No one thought we’d be able to do it.

We knew that if we weren’t profitable by the end of the first year, we wouldn’t succeed. Again, with our can-do culture and attitude, we actually turned a profit in six months, which also had never been done before in the U.S. steel industry. In 2017, we are the nation’s fourth-largest steel producer.

We started construction on Iron Dynamics in 1997. During the early days at the Butler site, Keith Busse, Mark Millett and Dick Teets held periodic steak dinners and would give inspiring “state of the union” speeches where they took questions, sometimes making decisions on the spot for things that needed to change.

We made direct reduced iron in 1998 and our first liquid iron in 1999 for use in the company’s Butler Flat Roll Division. Between 1999 and 2001, the facility was up and down on four different occasions. We were building something entirely unique in the world. There was no one to call when we had equipment or process problems, which happened often in the early days. During a time period when we were starting up new material handling equipment and having significant issues, Mark took the time to come out on the weekend to see and understand the issues firsthand and offer his help. That says a lot about how SDI operates.

In 2001, we idled the plant due to market conditions, but we found homes for all our employees elsewhere within SDI. We started back up in 2003 and have been running since that time. The years of trials, tribulations and frustrations created a can-do culture and attitude, which is seen throughout SDI and particularly exemplified when developing new technology.
I joined SDI in 1995 and came from an integrated steel mill where decisions were made by the bosses, not employees. In building the Butler Flat Roll Division, we had challenges where we all had to come together as a team and come up with solutions, no matter what role you had at the mill.

We were constructing the Ladle Metallurgical Furnace (LMF) portion of the facility. It's important to have dust ventilation so you can capture the fumes. And it's also important to have a conveyor system that feeds the right alloy additions so the correct chemistry is put into the ladles.

We didn't spend months planning the Butler facility because there wasn't time, so we didn't have one overall picture that showed how all the equipment would come together. As we were building the LMF area, we realized the conveyor system was going to go through the ductwork. Mark Millett said we need the ductwork, but the ladle system wasn't essential at the time.

We gave the challenge to employees that we had materials we needed to bring up and put into the ladle. They built special bins and came from all over the facility to help shovel materials into the bins. It didn't matter what area of the plant they were from, they knew it needed to get done and figured out how to do it. Eventually, we got the conveyor system installed, but it's a great example of the can-do attitude that is such a big part of our culture.

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**A CHALLENGE SOLVED BY TEAMWORK**

**BARRY SCHNEIDER // Flat Roll Steel Group**

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We had to be incredibly innovative when working to increase Butler Flat Roll Division's productivity from 2.4 million tons to over 3 million tons a year. Everyone—the managers, employees on the floor, supervisors, lead men—worked together. They came up with an idea to add five-foot sections to the shells of the furnace. Because the shells were only so big in diameter, we could only fit one bucket of scrap into the furnace at one time. When you have to lift the roof for a second bucket of scrap, you're letting heat escape, which isn't efficient. We knew if we could fit both buckets of scrap in the furnace at one time, we could save time and thermal loss.

Our team did the calculations and determined that adding five feet to the furnace walls would make them large enough that we could empty both buckets of scrap, shut the roof and make one 160-ton melt—a significant contributor toward our increase in production capacity. It was a great return on our team's innovation and the company's investment.

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**COLLABORATION BRINGS SUCCESS**

**GLENN PUSHIS // Long Products Steel Group**
In 2009, we experienced challenges the steel industry has never faced before. My experience with lead times was typically 12 weeks. During the downturn, our backlog at the Butler Flat Roll Division was one day, sometimes less. We were filling in the gaps with spot orders. There were no long-term orders because hundreds of customers were on the brink of going out of business and didn’t want to hold any inventories. They needed delivery times that were spot-on with virtually no lead times.

Normally the managers would work with scheduling to re-shuffle the schedule based on priority and efficiency so we wouldn’t have to make a lot of transitions on grades. But, during this time, the managers gave authority to the sales and scheduling departments who took over the system. They did an incredible job of meeting customer needs.

We got 250 new customers that year because we were one of just a few mills running. Where many integrated plants shut down because they were too inefficient, we produced 2.2 million tons at around 70% capacity, which was higher than any other mill. We could only operate that way because of the people working at the mill.
Looking for the Best Solution

Scot Gibble // OmniSource

We needed to clean up an insulated wire product we were producing that has a lot of non-metallics mixed with it. Our engineering and operating group researched technologies that we could purchase to easily remove those non-metallics. They found some equipment, but it was expensive.

Toledo employees John Marks and Todd “Skippy” Corbett researched and developed a simple, custom-built solution that they fabricated in-house that effectively removes non-metallic waste from our wire product.

We shared the idea with our sister operation in Indianapolis. They’re now using this equipment as well, and we’re building more for other OmniSource facilities. Instead of purchasing a piece of equipment for $135,000, we were able to engineer and build our own for less than $5,000. The innovative culture at SDI encourages our employees to continually look at better and more efficient ways to do things.

Sharing Ideas Leads to Advancement

Jim Anderson // New Millennium Building Systems

One of the great things about our company is that we are effectively a “team of teams.” While each New Millennium plant is its own profit center, the willingness to offer (and receive) help from other facilities is the norm. There is free exchange of ideas and communication between the plants, all serving to leverage knowledge and seek best practices. This “team of teams” culture strengthens the larger entity, allows us to execute on a broader level and is essential for our success.

“The Innovative Culture at SDI encourages our employees to continually look at better and more efficient ways to do things.”
We are one of the lowest-cost domestic steel producers, with one of the most diversified product offerings in the industry. Coupled with the high variability of our operating costs and our vertically integrated business platforms, this provides strong cash flow generation through both strong and weak market cycles.
Keith Busse never allowed the team to settle for “good enough.” There is a story about the Columbia City shipping team that highlights this approach to achievement. In the mid-2000s, the weekly shipping record stood at 20,000 tons. The team had a record week going, and simply had to finish the week strong to post a new weekly record come Sunday morning.

I left the mill on Saturday afternoon, knowing we had already surpassed the shipping record for the week. I went home satisfied. Keith called me that evening and asked what our final number was going to be for the week. I proudly told him we would finish with just over 23,000 tons.

Keith’s response wasn’t exactly what I expected. He congratulated the team, but with a bit of disappointment in his voice, noted that he had been watching our progress and had been sure we would exceed 25,000 tons. After all, there was still 12 hours to go in the week!

Having received the underlying message, I hung up with Keith and called the mill. The team told me that if we could get them more empty railcars, they had a few more orders that could be loaded directly off of the mill. By the time Sunday morning rolled around, the team had recorded 25,000 tons of shipments.

It’s this kind of lesson which teaches you to safely push the limits of what is expected. Just because your performance is the best you have ever done, it doesn’t mean it is the best you could have done. And I believe it is a big part of why we’re the company we are today.

When I was the General Manager at New Millennium in Florida, we had a whiteboard in the cafeteria that showed the different production lines and departments, representing each team within the facility. We listed the days of the week and would calculate, in dollars, the employees’ bonuses for each day. They could see their performance as the week progressed, and friendly competition ensued to see who had the highest bonus.

We would look at the chart to see daily activity, and would celebrate those teams with the highest bonuses. The teams with the lowest bonuses would talk with the teams with the highest bonuses to help figure out how they could do things better. This friendly competition was a source of camaraderie and learning for everyone.

Within the SDI culture, management is happy when they can pay more to a team that is performing well. Higher bonuses equate to higher plant productivity and profitability. It is critical to have a bonus program 1) that is significant in dollars, 2) gives teams the ability to control results, 3) provides immediate feedback of results, and 4) is easy to understand.
MAKING A POSITIVE FINANCIAL IMPACT

MIKE HAUSFELD // OmniSource

I started at the Butler Flat Roll Division as an accountant a few years after it was constructed. Prior to that, I worked for a defense contractor where there was a great deal of bureaucracy and excessive oversight. It’s entirely different at SDI—employees are empowered to make decisions on their own.

An accounts payable employee came to me one day and said we were missing some early pay vendor discounts being offered because we weren’t processing and paying the invoices fast enough. The employee had some great ideas on how to streamline some accounts payable procedures in order to speed up invoice processing. We implemented a number of these ideas and began to keep track of total discounts taken and total discounts missed.

We quickly achieved capturing over 80% of discounts offered and within a month or two, we were averaging greater than 95%. Our accounts payable clerks were also successful in soliciting additional vendors for prompt pay discounts. The total discounts captured continued to improve, often exceeding $50,000 per month. It may not have been a huge amount every time, but it definitely added up. If we weren’t empowered as employees to come up with new and better ways to do things, that never would have happened.

INVESTING FOR STABILITY AND GROWTH

MADHU RANADE // Flat Roll Steel Group

To further diversify, provide value-added products and grow the Columbus Flat Roll Division, SDI invested $100 million in a paint line and Galvalume® expansion. We were looking for ways to diversify our end markets into higher-margin products, rather than focusing solely on commodity-grade steel. When we were acquired by SDI, our products were primarily concentrated in the energy segment, which is a volatile industry. I was impressed at how fast SDI acted and the leadership’s ability to see through the fog and strategically make this investment to increase our margins and broaden our product mix. This creates more stability so that lows have a smaller impact on our business and the highs are even higher. Prior to becoming part of the SDI family, that investment would never have been made. SDI has the financial strength to make the commitment and produce impactful results.
In early 2000, the steel market got very competitive. There were many bankruptcies and consolidations. Our team used their creativity to be as cost-effective as possible, whether it was reusing paper or turning the lights off when we left meetings. They were little things that didn’t seem like much, but everyone did what was best for the company to keep costs down, be productive and safe. That same spirit continues today.
WHAT’S YOUR STORY?

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