

[BUSINESS UPDATE]

Tube manufacturing company increases capacity

Vulcan Finned Tubes LP

Vulcan Finned Tubes, in its effort to keep up with increasing demands for its products, has built a new \$1.8 million facility in Tomball, Texas, (a few miles north of Houston) to manufacture finned tubes. At 39,550 square feet, the new Tomball facility is nearly double the size of the old Houston facility.

Vulcan Owner Mike Souland began making plans for the new facility at the end of 2003.

"When we started Vulcan in October of 1999, we never dreamed we would ever outgrow the place. Then, the building was huge, and it was mostly unoccupied. I can remember dropping a wrench in there and hearing it echo from end to end," Souland said. "But amazingly, only four years into our five-year lease, we were packed in there with literally no room to grow.

"I have always been concerned about our rate of growth," he said. "Our sales have increased dramatically every year since we started. For five years, each year has been larger than the last, and I was worried that our sales might outpace our production capacity. In our industry, production capacity is directly related to facility size because each of our finned tube machines is more than 120 feet long. Once we put on night shifts and began working weekends, we had no choice but to look for a larger facility.

"Tomball seemed the natural choice of location for us," he said. "It was convenient for our customers and was close enough to Houston to give us access to critical suppliers, but far enough outside the city limits to avoid traffic and congestion. We were able to find a beautiful five-acre tract of land and the Tomball Economic Development Board sweetened the deal by offering a grant for moving our employees. All our stars were aligned. We planned the design of our new facility, settled on a general contractor, and nine months

"Our primary objective for 2005 is to double our aluminum L-foot fin production capacity," he said. "We launched this product line in 2002, and it continues to grow at a furious pace. Doubling our capacity will help us speed up our deliveries while increasing our sales. We anticipate that the new machines will be on line by the end of the third quarter of 2005."

Allied Metals Sales Representative Eric Litzinger has been to Vulcan Finned Tubes' new facility several times since its completion and is impressed with what he has seen.

"The new facility is state-of-the-art and was designed especially for Vulcan's custom-built machinery and equipment," he said. "When you see the facility you can't help but be impressed with the amount of thought that went into the planning. In the office, they have new computer workstations with flat-screen monitors and laser printers that network into a server with a tape backup system. The shop is massive and has new overhead cranes, new compressors that tie into a trans-air delivery system, new custom-designed dust collection systems and plenty of room for expansion."

Allied Metals understands that quality and service does not happen by chance. As Litzinger explains: "Allied Metals has been in the metal distribution business in Houston since 1950. We know first-hand the experience, planning and long-term commitment involved in providing a quality product with on-time delivery at a competitive price. Vulcan values these virtues as well, and it shows by the commitment they made in building their new facility."

Allied Metals has a unique relationship

they have the capability to manufacture several types of finned pipe/tube such as aluminum L-foot fin, longitudinal welded fin, and helical solid or serrated welded fin," Litzinger said. "Most companies can manufacture only one or two lines at most. It's like one-stop shopping for your finned products."

Allied Metals also knows the importance of on-time deliveries.

"In most situations, price is the determining factor, and I have always found Vulcan to be competitive and easy to work with on price and delivery," Litzinger said. "But there are times when everything is riding on delivery, and that is where Vulcan really comes through. They know what turnarounds and shutdowns involve, and they know that late deliveries are not acceptable."

"From time to time you may find somebody at a lesser price, but I wouldn't put my money on them," he said. "If you do, you are never sure of what you are going to get or if you are going to get it on time."

"I give Vulcan Finned Tubes the highest

recommendation — and I don't recommend firms unless I can be assured they provide a quality product and they can hit the target dates in the times specified. I believe the



Mike Souland, Vulcan's owner, takes pride in his products.

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— Allied Metals Sales Representative
Eric Litzinger

staff's knowledge of the industry and their professionalism combined with Vulcan's product and the new facility allows Vulcan Finned Tubes to provide a superior product."

Vulcan's shop operates 24/7, and the company's sales team is always on call.

For more information about Vulcan Finned Tubes, please call (281) 255-4775 or visit www.vulcanfinnedtubes.com. □



Vulcan Finned Tubes' new 39,550 square-foot facility is located on a five-acre tract of land in Tomball, Texas.

with Vulcan Finned Tubes.

"We sell bare pipe, flanges and fittings to Vulcan, but we also sell Vulcan's finished finned-tube products as components in our bid packages," Litzinger said. "If a finned pipe/tube is included in a bid package we receive, we put the quote up to Vulcan. They give us a number and then we pass it along to our customer."

Vulcan's extensive product offering is a big plus, he said.

"One advantage in going to Vulcan is that

later we moved in.

"There is no doubt that the new facility will be an asset to our customers," Souland said. "Our business is time sensitive. Most of our customers want their orders delivered quickly. Moving into our new larger facility allows us to continue expanding our production capacity to keep up with our increasing sales.



Service... when you need it *most*.

Vulcan's sales staff is available 24 hours every day to meet your emergency needs. If emergency circumstances warrant, our shop staff can begin your job immediately and continue working around the clock to meet your turnaround delivery needs.



- Welded helical solid finned tubes
- Welded helical serrated finned tubes
- Welded longitudinal finned tubes
- Aluminum L-foot finned tubes
- Pipe, fittings and flanges
- Bending services
- Turbulators
- Tube supports
- Tube Ferrules
- Shoulder plugs & gaskets



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