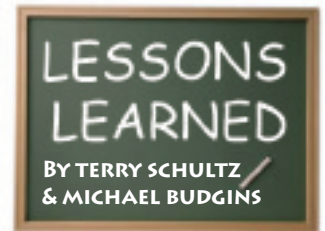




SCOTT PAULUS

Terry Schultz (with Michael Budgins at left)... "We used the slowdown as an opportunity to redefine ourselves."



**WHAT IS YOUR GREATEST BUSINESS CHALLENGE?** "Being a job shop, we don't always get notification that jobs are coming until they arrive at our dock. This presents numerous challenges as far as staffing and being able to meet the expectations and needs of the customers."

**WHAT IS THE BEST WAY TO KEEP YOUR COMPETITIVE EDGE?** "By building strong relationships with our customers. We are a service company, and our No. 1 goal is to exceed customer expectations."

**WHAT WAS YOUR SMARTEST MOVE?** "Rebranding our company's image. By updating our logo and marketing materials, it allowed us to re-introduce ourselves to our customers as well as change the culture at EFCO."

**WHAT ARE THE MOST DAUNTING ISSUES FACING YOUR FIRM RIGHT NOW?** "The fragile state of the economic recovery. While things are trending in the right direction, there are any number of things that could put a halt to the progress."

# Surviving the economic downturn

Metal finishing shop rebrands to take advantage of recovery

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Operating a metal finishing shop can be nerve-racking enough when you don't know how many jobs will come in from day to day. Throw a recession into the mix, and it's enough to put some manufacturers in a panic.

But EFCO Finishing Corp., a third-generation shop in Butler, relied on its 66 years of experience and strong customer relationships to see it through the weak economy over the past several years. Now that the worst is over, the company is rebranding itself to catch some of the positive momentum from the upswing in manufacturing.

"We used the slowdown as an opportunity to redefine ourselves," said Terry Schultz, co-owner and president.

Schultz's grandfather, Don, started the company with his brother in 1945. It originally sold machinery, but Don always dreamed of having a job shop and eventually started taking on jobs.

Today, Schultz owns the business with vice president Michael Budgins, his cousin's husband, and it sells very little machinery.

The company finishes metal parts for small and midsize manufacturers in southeast Wisconsin, including stamping houses, die cast companies and fabricators. Many of its clients are suppliers to Harley-Davidson Inc., Milwaukee. Although it has just 15 employees, it's one of the largest job shops in the area and has enough machines to serve many needs and industries, Schultz said.

It survived the recession by tightening expenses and continuing its solid relationships with manufacturers, Budgins said. The company never took on much debt, so it was able to survive a revenue drop of almost 30 percent in 2009. It laid off two employees during the recession, but has since hired two more employees.

Customer service became more important than ever, Schultz said. EFCO's clients often are in a hurry because its work comes at the end of a production process, when delays often have

knocked a project off schedule.

The company differentiates itself from competitors through quick turnaround time—often one or two days—and a flexible approach that helps it meet customers' needs. For example, it will

do same-day work if necessary and has its own delivery truck.

"If we can figure out any way (to complete a job), we'll do it," Schultz said. "I think that sets us apart."

Many of its client relationships date back 20 years or more. Its oldest relationship with Winco Stamping Inc., Menomonee Falls, started in the 1950s.

"We continue the relationship basically because they service us in every way that we need them to, both in quality, price and fast turnaround," said Scott Wendelburg, Winco purchasing manager. "They've always been there to help us when we need it."

The diversity of EFCO's work also helped it survive the recession. Some industries were hit hard early in the downturn, and many of those companies saw a turnaround last year, Schultz

said. Other industries didn't see the effects of the recession until later, and some of those companies still are struggling.

"We're not totally dependent on one industry," he said.

Business was up more than 30 percent in 2010, and it's up 10 percent so far this year, Schultz said. He declined to provide specific revenue figures.

Now that the economy is improving, the company wants to be aggressive in its marketing. It launched a new logo and motto, "Committed to the finish," last month and is working on a new website that will be more interactive with features such as video and social media.

"We just want to show our customers we're committed to being around for the future," Schultz said.

To that end, the company recently signed a new seven-year lease for its three Butler buildings.

The new brand already has created positive energy among employees and is an excuse to reach out to existing and potential customers, showing clients that the company is active and optimistic.

Although the owners are concerned the economy could dip again, they're positive about the future, they said. They hope to increase revenue 30 percent in the next three years.

"We've got so many customers who are doing really well," Schultz said. "We feel a lot better about where we are now than 18 months ago."



SCOTT PAULUS

A sampling of metal work ready to be refinished.