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Executive Q&A: National Metals' Kuiper does it without debt



National Metals senior partner Doug Kuiper bought this \$250,000 water jet cutting system to help the DeForest-based metal fabrication company expand the kind of precision parts work it can do. He's holding a metal piece the machine just made that will be used in cup-holder displays at Nissan dealerships. KAREN RIVEDAL - State Journal

[Doug Kuiper](#)

Senior partner at National Metals

Age: 58

Education: Gateway Technical College, structural engineering degree

Family: Married, two sons

Business address: 612 Stokely Drive, DeForest

Founded: June 2009

Employees: 15

Revenues: About \$2.5 million in 2010

Web: nationalmetals.com

Doug Kuiper knew it was time to diversify in late 2008 when the bottom started falling out of the structural steel market.

His metal fabricating business, Suncor, specialized in structural steel, which is used to frame new buildings — holding up the roofs and floors — since 1992.

But the worsening recession meant little was happening with new construction, and Kuiper had to find another way to make sales.

He decided to manufacture specialty metal products such as stainless steel countertops and brackets for aluminum pallets, and he formed a new company, National Metals, in June 2009 to handle that work.

The DeForest-based fabricating business needed a pricey piece of new equipment — a precision cutting tool — to make the fine specialty parts, rather than the blunter devices Suncor uses to punch out its structural steel pieces.

The Jet Edge water jet cutting system Kuiper acquired in November can get those jobs done. It uses a water stream pressurized at 60,000 pounds per square inch to cut fine parts from slabs of steel up to 10.5 inches thick, along with softer metals such as aluminum and copper.

But Kuiper, a Racine native who worked for other companies in the metals industry for 18 years before starting Suncor, didn't make the \$250,000 purchase until he had the cash in hand to pay for it. That was in keeping with his long-standing policy of never taking out a loan to run or grow his business.

“I had that plan from the beginning,” Kuiper said. “I know it's not normal, but for me it makes sense. I wanted slow growth for the business, slow and solid.”

The closest Suncor, which still operates with a reduced staff, and National Metals ever come to financing, Kuiper said, are the open lines of credit his vendors provide on 30-day terms. But he usually avoids interest payments on those, too.

Q: Your vow to never borrow money for your businesses could be seen as overly limiting. How do you respond to those who say you have to spend money to make money?

A: I don't believe in that. The ones who do are the companies that are failing now, the ones who owe money on top of not having enough work.

If you can build a business with cash, you don't have to worry about that. Yes, it's slow. Yes, it's painful. But it's lasting, and nobody is ever going to take it away from you. This way I don't have to worry so much about slowdowns.

With Suncor, we have enough equity to get through it. But if I was having to pay interest on loans, then where would I be?

Q: When you decided to get a precision tool, why did you choose a water cutter? Laser cutters also are commonly used.

A: We chose the water jet because it could cut anything. If you were going to cut just thin metal, a laser would be the ticket.

The laser is a faster tool and a better tool for very thin material. But when you get over five-eighths of an inch, the laser is not the tool of choice anymore. It also has problems cutting highly reflective material, and it doesn't do well with aluminum.

A water jet doesn't have problems with reflective materials, and it can also cut granite, wood, glass, any kind of material.

Q: Do you plan to use those other materials to make anything?

A: We're going to explore those other markets. We don't know yet what's going to pan out. I'm an entrepreneur. I take shots and see what works, and if it doesn't work, I walk away.

Q: Will you be hiring more at National Metals?

A: It really depends. We are anticipating growth, so there's a good chance we're going to increase our work force. Probably this year sometime we'll go to multiple shifts in the shop, keep the equipment running 24 hours a day or at least for two shifts.

Q: Before 2006, when you first built a manufacturing plant in DeForest, your employees did design work but you contracted out all your fabrication of structural steel for Suncor, which is based in Hialeah, Fla. You also used contractors the first few months National Metals operated as a specialty parts maker before the purchase of the precision cutter. Is making products in-house cheaper because it eliminates that final step of outside fabrication?

A: I'm not sure it's cheaper, but you have more control. That's the big thing. What used to happen is when these other companies that we used to buy labor from would get their own contracts to work on, they would put our work on the back burner.

Q: You own 50 percent of National Metals, while your two sons, Patrick and Scott, also work at the company and own 25 percent each. Patrick handles sales and operations and Scott is project manager. What do you do as senior partner?

A: I take care of all the money. I don't have a bookkeeper, so I'm the controller. I also do (bid) estimating. I'm doing the Suncor bids right now.

I kind of look over the whole thing. I'll run a weekly sales meeting, to talk about new markets, what's working, what's not working, what we should try, new directions.

I don't get much involved in shop operations, but I do schedule hours there. I make sure we're not overbooked, and that we have enough work so people don't have to go home.

Q: How do you approach customer service and development? Is it about quantity or quality?

A: My philosophy is to focus on what customers I want, asking, "Is it a fit, do we get along, do they appreciate the services I'm trying to perform?" It's a partnership, and if you keep those relationships good, the repeat business is really easy.

I've got some customers who are never going to grow much, but they are good customers and I would keep them for as long as they pay their bills. For new customers, I want those that are growing, because they help you grow.