

PITTSBURGH  
BUSINESS TIMES

MANUFACTURER of the YEAR  
EXTRA LARGE: More than 100 employees



WINNER: MILLER WELDING & MACHINE CO.

## Finding a new niche after steel collapse

When the steel industry started to collapse in the late 1970s, most of the manufacturers supplying the industry were convinced it was just a slowdown.

But David R. Miller, who founded Miller Welding & Machine Co. in 1963, had a different perspective.

By that time, 95 percent of the firm's work involved repairing parts for the steel industry, ranging from steel rollers and open hearth doors to lifting devices.

"Everyone back then thought we can't do without steel, so most of them decided to hunker down and wait," said David K. Miller, who took over the operation from his father in the early 1990s.

"My dad took a different approach," he said. "Do you remember that book, 'Who Moved My Cheese?' We decided to go out and look for new cheese."

As a result, the company moved aggressively into original equipment manufacturing by making specific parts for new equipment. The move has been extremely successful for the company over the last 30 years.

Miller Welding & Machine Co. started operations providing welding and machine services to local mining and lumber industries.

"We repaired anything that broke," Miller said. "If a hay baler broke down, the customer would bring in a broken part and we'd either fix it or make a replacement part."

He said that approach worked well for the company's primary industries at the time, which included agriculture, mining and lumber. It repaired parts for everything from log skidders, trucks and equipment for saw mills and underground mining equipment.

Soon the company was doing work for steel mills. Most of the equipment in the mills was old. The original manufacturers weren't even in business at that point, according to Miller, so repairing parts became a lucrative business for the company.

"The driving focus of our work from the beginning, including work on steel mill equipment, was functionality," he said. "We had to make a replacement part that was functional. As long as the farmer could go out and bale hay, the part worked."

But the move to OEM support required a radically different approach on several levels, he said.



JOE WOJCIK

Mike Taylor welds a scissor arm using a process that utilizes metal inert gas and an electricity arc at Miller Welding & Machine Co. in Brookville.

"First, the defining characteristic of the OEM work was no longer whether it was functional," he said. "It was more important that it conformed to very rigorous specifications. If the engineer designed it for a specific tolerance, and the part that didn't meet that, it was no longer useful to our customer."

The second dramatic change occurred when the company switched from one-time repairs of parts to supplying the OEM industry with continuous repairs, Miller explained.

"In our earlier jobs, everything was a special project. When you're done, you're done," he said. "With OEM work, you actually have a flow. There's another one today, tomorrow, next week. The job never finishes. There's more of a rhythm."

There were challenges switching from single projects to OEM work, Miller said, including getting workers to understand that functionality didn't matter.

"We had to deliver on schedule all the time and we had to meet the schedule," he said. "The job never ends until the equipment is no longer in production."

Today, the company has approx-

### ► CLOSER LOOK

#### MILLER WELDING & MACHINE CO.

- **Based:** Brookville
- **Top office:** David K. Miller
- **Employees:** 350
- **What it does:** Comprehensive metals manufacturing
- **Key products:** Machined and welded metal parts
- **Long-term growth plan:** Expand global reach by consistently producing high-quality machined metal parts and products
- **Website:** [www.millerwelding.com](http://www.millerwelding.com)

imately 350 employees distributed among three facilities.

Miller Welding continues to provide industrial metal fabrication and welding services, but has widened its customer base considerably, and now serves a wide range of industries across western Pennsylvania, including construction, plastics, food products and material handling.

Miller said he focuses on "doing right by the employees."

"The 'why' of our job matters," he said. "Manufacturing can easily be reduced down to a production line, making employees machinery instead of skilled tradesmen. Instead of focusing on what we need to be successful, our focus shifts to the needs we affect."

One major organizational change has been implementing a marketing department to help expand sales and develop a more flexible and responsive business model to improve customer needs and relations.

David's son, Eric, currently the vice president of sales and marketing, leads the new effort and is being groomed to be the third generation to lead the company.

"Over the past year, we've identified specific goals in the realms of safety, quality, delivery and service to ensure that our team is able to effectively serve our markets," Eric Miller said. "Our team has put forth significant effort to improve in each of these categories and the resulting improvements have been dramatic in most cases."

- Chasity Capasso