

# A legacy of success at North American Steel

*Whitby shelving manufacturer enjoying third decade of growth with Rosalie Fabricius in charge*

By Glenn Hendry

Rosalie Fabricius may be loathe to take the credit, but she is a turnaround specialist.

But unlike other Johnny-come-lately's with reputations in this business field, she has a passion for people - her employees - as well as the bottom line. She has never been interested in simply getting in, mindlessly steering the company to respectability (turning a quick profit in the bargain) and getting out.

Rosalie Fabricius, the owner of North American Steel in Whitby, is in it for the long haul.

It's been nearly 30 years, in fact, since Fabricius and four partners chased the Hopkins Street manufacturer. The company was nearly bankrupt and there were just two employees left on the payroll. The English owners were so desperate that they opened up the books to Fabricius - uncommon at the time

- and told her to stick around a while.

"They said, 'stay there, Mrs. Fabricius, and see what you can do with it.' It looked terribly neglected and they would have let me have it for almost any price," she remembered.

In the end, Fabricius and her four partners paid just \$13,000 each for the 20,000 square-foot plant. By the end of the first year, Operation Turnaround could be judged a success - "it only took a year to start the turnaround and make some money" - and by the end of the second year (1974), Fabricius had bought out her partners to become the sole owner.

Today, North American Steel employs 75 people at the Whitby plant - now 75,000 square feet in size - and has more than 200 on staff when you include recently purchased manufacturing plants in Edmonton (1996) and London (1993). Fabricius utilized her turnaround

skills to acquire those plants as well, with the former owners of both plants at the brink of insolvency.

Fabricius has also enjoyed good luck in the acquisitions that she didn't make. In 1981, in the middle of the recession, she bid for local competitor Peddler, one of Durham's oldest companies, which had gone into receivership. The receiver rejected North American's offer and sold the firm back to the previous owners, but within six months, with interest at 24 per cent, Peddler closed down. Fabricius then hired the cream of the staff - most of whom are still with her today - to add their experience to North American Steel.

Fabricius downplays her role in revitalizing her company from the depths, preferring to laud her son Rolph - "he's really running the company now" - and her "enthusiastic" staff.

"The only real smart talent I have in hiring people is making sure I hire people smarter than me," she said with a laugh. "It's always the staff. You keep the best and they make all the difference."

It must be working. North American Steel, which makes pallet racking and other shelving products for industry, large retailers, and for wholesalers, enjoyed sales of nearly \$30 million in 1999, up about \$11 million from the mid-90s and an increase of eight-fold from 1988 sales of \$3.8 million.

Not bad for someone who came to Canada with her husband Karl (they're now divorced) just after the Second World War ("we got out just in time," she said) from East Germany. Karl founded General Wire and Cable in Cobourg in the early 50s and Rosalie absorbed all she could from that business experience before striking out on her own 20 years later.

In the beginning, North American Steel had just one blue chip client - IBM - and were producing simple shelving for industrial clothes lockers. "Today we make terribly sophisticated racking



## Racking up success

**Rosalie Fabricius, the President of Whitby's North American Steel, has taken her firm - which was near bankruptcy when she purchased it in 1972 - to the top of the Canadian steel shelving manufacturing sector. Sales last year neared \$30 million, up eight-fold from a decade before.**

*Durham Business News photo by Glenn Hendry*

equipment, using automated systems."

The heavy-duty Cincinnati presses acquired from Peddler are still in operation, but other equipment has been modernized, including robotic welding equipment, rollform machinery and the envi-

ronmentally-friendly powder coat paint process - much of these technical advances financed by the federal Business Development Bank.

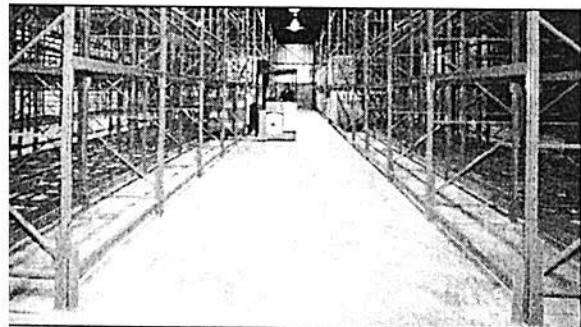
The client list has improved as well, with Home Depot and Wal-Mart among the regular customers. The pallet racking manufactured at North American Steel is even front and centre in retail displays at some big box stores, instead of its traditional hiding place in the warehouse. "It almost felt like meeting a friend when noticing that Wal-Mart has put our pallet racking all along the front aisle to make room for their Christmas display this year."

**"It's always the staff. You keep the best and they make all the difference."**

*Rosalie Fabricius*

The BDC has helped finance several upgrades and additions at the plant - the latest an 11,500 square foot expansion completed last year at a cost of \$300,000 - and has been used by the Fabricius family since the 50s. An application for a further 15,000 square foot addition is now before Whitby's planning

Both will be on hand to guide the company in the new century, with expansion into Toronto and Montreal on the wish list. "We're looking at buying some existing companies, especially in the wholesale/distribution side of the business."



North American Steel manufactures a wide range of steel rehouse racking such as that illustrated above and the large tallation below. They also manufacture a range of lockers and workbenches.

