

# Capital Ideas

How entrepreneurs  
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magazine



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# Building strong relationships

## How TorrMetal uses communication and innovation for manufacturing success

Every time he enters his office, Pat Sheehan — President of TorrMetal Corporation, a contract metal stamping and fabrication company in Cleveland, Ohio — walks past his company's mission statement plaque in the lobby. It's a vow to maintain TorrMetal's customer relationships through accountability.

"To do this," the statement reads, "we will become virtual extensions of their business through knowing them thoroughly; anticipating their needs; providing timely delivery of the highest quality products."

This creed is how Sheehan views his role as an American manufacturer. "It's investing in technology, but also relationships. We want our customers to see us as a division of their company,"

he said. "It's about having a good collaborative relationship with our customers and helping them develop and improve their products."

TorrMetal manufactures precision stamped and fabricated metal parts to a variety of markets, including hardware, transportation, natural gas, medical and small appliance markets. The company strives to remain flexible in order to produce parts in a wide range of quantities in an ever-changing environment, while offering in-house engineering support and design for production tooling. TorrMetal was founded in 1972 and Sheehan's father, Bill, purchased the company in 1992.

At that time, Pat was living in New York working in the human resources

department for a major bank. After a few years, he came to a revelation.

"My wife and I were at a crossroads. We were thinking about settling and starting a family. Of my then-current job, I was realizing I needed a change," he said. "I had a few nights when I wondered, 'What am I contributing?' 'What is my value?' In manufacturing, it's tangible goods that are being produced. You see the products drive off every day, and I am a tangibles-oriented guy."

Around the same time, Bill was contemplating his succession plan and offered Pat to join him in the business in 1999.

"He knew I was doing some soul searching," Sheehan recalled. "He asked me if

Pat Sheehan, President of  
TorrMetal Corporation



I wanted to do it and I said yes. I figured I would give it a shot, maybe for a few years.”

During those years, the U.S. manufacturing industry was suffering a downturn due to offshoring, leading to a consolidation of companies across the country. “There were days of wondering what the future would be. But as my Dad and I worked, we figured out what we could offer our customers to have them stay with us,” Sheehan said. “Getting into inventory management, focusing on flexibility and a culture of service, being able to respond as quickly as possible to our customers’ needs; we developed a mission statement around that.”

Accounts Manager Bill Ross builds on Pat’s statement, “This is not a 9-5 business world anymore, and we need to react to our customers’ needs and requirements in an expedient manner.”

As its customer base grew, TorrMetal acquired additional companies and placed more emphasis on organic growth. Sheehan knew the future of U.S. manufacturing would depend on investment in new technology and personnel. To that end, he purchased Computer Numerical Control (CNC) based equipment to bring tooling builds in-house, and through his Engineering

office, reinstated an apprenticeship program for tool and die makers.

Nine years later, he reached another epiphany. “I decided I wanted to stay in the business and buy it from my Dad,” Sheehan recalled. “My father was tremendous in giving me the freedom to manage and run the operation and I felt I had a good handle on it. He wasn’t the type to say, ‘This is my baby and I can’t let it go,’ he said, ‘Go for it.’”

To help with purchase of the business in 2008, the Sheehans worked with Chris Smerglia, Market President, Commercial Banking Team Leader at Farmers National Bank.

“When I first got involved, they had some equipment and working capital needs,” Smerglia said. “They needed help financing part of the acquisition to complete the transaction of ownership to Pat. Bill took back the note for the majority of the acquisition loan, and I handled the working capital lines and equipment loans to help support Pat to grow and move forward with the company.”

Farmers also provided Pat with treasury management services which included: Business Online Banking so the company can manage their daily

account reconciliation and an interest-bearing sweep account. In addition, the bank offers remote deposit capture in place of making daily deposits at a branch location. With remote deposit, checks are scanned at the client’s office for direct transmission to the bank for deposit into the customer’s account.

“The remote deposit is huge. I remember the days when Dad ran to the bank to make a deposit a few times a week,” Sheehan said. “And the sweep service automatically transfers funds between our checking account and the interest-bearing sweep account on a nightly basis. I can maximize the interest on the cash while maintaining complete liquidity. That is a convenient feature. It’s a very nice product.”

The process of ownership was a seamless transition. Bill went on to retire but remained a consultant until his passing in 2012.

Sheehan still holds dear the values his father taught him as he was learning the manufacturing business. “He let me grow under his oversight, but did not micromanage me at all,” he said. “It was a great working relationship. I learned a great deal in the 10 years I was with him: the necessity to drive strategic investment, to give me the freedom to

“It’s about having a good collaborative relationship with our customers and helping them develop and improve their products.”







# “With Farmers, I feel that I’m a person and not a number. I like that.”

make decisions, and to not be shy about saying ‘yes’ to new ideas. I, in turn, do that with my management team. They are here because of the talents they possess.”

Engineering Manager Paul Christensen, who earned his mechanical engineering associate’s degree from Cuyahoga Community College in 2017, was a tool and die maker before Sheehan and TorrMetal invested in his education. “They more than paid for it, they got me through it,” Christensen said. “That’s our relationship. It’s investing in technology and the employee. Not just management, but the shop floor employees too.

“It’s amazing. We work as a team and are like family. Everyone has each other’s cell phone number. We talk after hours. It’s a collaboration. It’s not like ‘do this, do that,’ it’s ‘how can we make this better as a team,’” Christensen said.

TorrMetal prides itself on building relationships as strong as the parts it

manufactures — from its employees to its banking partner.

As of this year, Sheehan has paid in full the acquisition loan and has since increased sales and created room to purchase more cutting-edge equipment such as a new fiber laser and a CNC press brake. This new capability allows TorrMetal to quickly cut a part from sheet metal and bend or form those flat parts to final specifications.

“We can rapidly produce prototype parts or better support our customers’ low-quantity requirements with little to no up-front tooling cost,” Sheehan said. True to their emphasis on relationships, this enables them to help their customers efficiently grow a product from concept and lower start-up production quantities to building dedicated tooling and stamping larger quantities — all with TorrMetal.

“Relative to the final payment I made in December, that gave me the freedom

to invest in the new technology that is giving us new capabilities and enabling us to grow. The laser and press brake combination was the first step,” he said. “Being able to pay off the loan was a huge moment; a major sense of accomplishment.”

Sheehan credits Smerglia and Farmers National Bank in establishing a personal relationship, knowing what his company needed and offering its time as well as the right mix of products that gave him good structure and room to make purchases and investments.

“Chris and I have worked together for several years. We have such a good relationship. We are a smaller company. When I first joined the business, we were with a super regional bank and it felt like we were just a number. When things got challenging, we realized there was no relationship there. With Farmers, I feel that I’m a person and not a number. I like that.”



Paul Christensen



Bill Ross





## PIRANHA LASER L510: The “Showstopper”

In any business, staying competitive requires a continual investment in the future. For Sheehan, it’s all about technology.

“To be domestically competitive, you have to invest in the new or else you’ll fade away,” he said. “We are a traditional stamping company. I think with manufacturing in the States, the focus has to be on the new manufacturing technology that is coming out.”

When Sheehan paid off his company’s acquisition loan in December 2017, he wasted no time in making that investment. In early 2018, TorrMetal was able to purchase a state-of-the-art laser cutting machine, the Piranha Laser L510 with the help of Smerglass and Farmers National Bank.

“For the laser, I thought I would get a simple term loan to purchase it, but Chris said, ‘we can do more than that’ and offered a simple revolving line that converts to a term and refinance everything else,” Sheehan said. “He gave me options that I wasn’t aware of. I was thrilled with what he can actually do.”

In contrast to a traditional stamping press, the fiber laser technology provides more efficiency, precision and flexibility for their partners.

“It allows us to grow with a customer, to prototype and help grow their product. Before, we didn’t have that capability, now with the laser, we can do it all day long and get into more smaller volume runs with little up-front cost,” Sheehan said. “In addition to picking up new customers, we can also cross-sell our existing customer base.”

The new purchase, Sheehan noted, coincides with the trend of manufacturers combining production stamping with tool and die making. Decades before, many production stampers would outsource tooling builds to a tool and die maker. Now billed as a one-stop shop, TorrMetal enjoys a huge advantage.

“The laser has been a huge asset in the few months we have had it. It allows for a quick response to customers,” Christensen said. “Once, we were able to bring a prototype to a customer in less than eight hours. Within two days, we had a production purchase order. Before, we couldn’t do that. It took months to build our tooling. The laser definitely increased our response time.”

Christensen noted that along with the increase in productivity, the Piranha Laser has lifted worker morale in the

shop. “They are seeing the growth. They feel good about the job. That is important because this industry is not pretty, it’s down and dirty,” he said. “They start seeing new technology and they know they have a long-term position here.”

Bill Ross, who called the fiber laser the company’s “showstopper,” said the new addition has spawned interest from not only existing customers but has opened up new marketing opportunities.

“Before, our website was about having a presence just to have one, but since we acquired the new laser, it just went hand-in-hand. We thought it was a good time to create a new website,” Ross said. “We wanted to use the website as a sales tool rather than just a web presence, and focus on the laser. The feedback we received was really impressive, and provided us with a lot of information. I’d say it’s more than a step in the right direction, it’s a leap.”

Ross said the floodgates are open for new business. So much so, he projected the laser to be in constant capacity by early 2019, and with the help of Farmers, they’ll be able to purchase another laser. “The relationship Pat has with Chris is allowing our business to grow,” Ross said. “Our partnership has helped make things work. There are no issues. This is an exciting time for us to expand our capabilities and seize new opportunities.”