

# ALLEGHENY TECHNOLOGIES

## Specialty metals that make the world

Specialty materials that make our world. This is Allegheny Technologies' proud creed. The company's mission is to be the world's leading specialty materials company. An ambitious goal; but what is the company's strategy for reaching this target, what are some of its successes so far and, in the light of these ambitions, what does the company expect for the future? In Pittsburgh, *Stainless Steel World* visited Jim Murdy, Allegheny Technologies' president and CEO.

**M**r Murdy: If you take a broad point of view, like we do, there are many interesting market opportunities for Allegheny Technologies. We will use these opportunities to come up with cost-effective solutions for our customers. We can do this because we believe that we offer a unique product mix of specialty materials, stainless steels, nickel alloys, titanium and a variety of exotic alloys, more comprehensive than any other company in the world. In the areas that we have chosen to emphasize, we have a very strong position. I think we can become the number one specialty metals company in the world."

### PRODUCTS

It is clear that being best means serious business to this company. Allegheny Technologies already is one of the largest and most diversified specialty materials producers in the world, and, according to Mr. Murdy, the largest one in North

America. The company consists of a large group of diverse business units, namely Allegheny Ludlum, Allvac, Wah Chang, Allegheny Rodney, Rome Metals, Titanium Industries, Metalworking Products, Portland Forge, and Casting Service. Together, under Allegheny Technologies, they offer a wide range of specialty materials to an ever-growing global market. The company's high-value product portfolio includes stainless steel, nickel-based and cobalt-based alloys, superalloys, titanium and titanium alloys, specialty steels, tungsten materials, exotic alloys, which include zirconium, hafnium and niobium, and highly engineered strip and Precision Rolled Strip, products. In addition, the company produces commodity materials such as stainless steel sheet and plate, silicon and tool steels, and forgings and castings in many grades and sizes.

Mr Murdy: "We believe we offer the broadest product range to the market. Our wide scope of products allows us

to be competitive around the world in the entire field of corrosion resistance and heat resistance specialty materials. We try to remain in close contact with our customers and stay informed about their existing as well as future needs. We are always interested in new potential applications for our products. Our markets are as diverse as our products."

Examples of these diverse markets include among others the company's largest market, the aerospace industry,

a true international market to which Allegheny Technologies delivers nickel-based superalloys, premium titanium alloys and specialty steels. A second example is the oil and gas industry. Mr Murdy: "Here, we already are an important supplier of advanced materials for use in downhole applications, drilling rigs and refining plants. We also provide nickel-based alloys, titanium alloys and specialty steels for deep corrosive wells". Another market where Mr Murdy sees potential is the

flat-rolled titanium business: "It is a business that has excellent growth potential."

### WORLD-WIDE MARKET PRESENCE

It is no surprise that Allegheny Technologies' market presence is world-wide, especially for its high-performance metals group. The industrial products group is primarily a North American operation. However, Metalworking products, which manu-

factures and distributes cutting tools and other tungsten carbide products, has a fairly significant manufacture and distribution in Europe. For flat-rolled products operations, the company's primary market is North America.

The company is not afraid to look for promising, less conventional, market opportunities elsewhere. Mr. Murdy: "We have an important initiative in Precision-Rolled Strip" products in China. We have a joint



Allegheny Technologies offers a unique product mix.



venture in Shanghai that is doing an excellent job producing thin flat-rolled stainless strip: Shanghai STAL Precision Stainless Steel Company in the Xin-Zhuang Industrial Development Zone. STAL can man-

looking for new technology.” Allegheny Technologies was a pioneer in the development of nickel-based super alloys for land-based gas turbines. Customer service is another important aspect of the company’s key to

of product and technical service capabilities. “We are a company with which customers feel confident doing business. We have close ties with our customers. They can depend on Allegheny Technologies as a strong technical partner to help them with their speciality material needs, opportunities and difficulties.” Synergy between our different business units is an important component of the company’s strategy as well, according to Mr Murdy. “Synergy in manufacturing, procurement and market development between the different business units within Allegheny Technologies, allows us to not only offer a wide range of products but also to work together in the development of new products. Each business unit brings its unique expertise and experience to the table”.

**IDENTITY**

In spite of synergies and co-operation, each company within Allegheny



**STAL: a successful initiative.**

ufacture many kinds of super thin super flat and ultra-hard stainless steel strips with various thickness, as thin as 0.05 mm with a width up to 610 mm. STAL can produce a broad range of grades, surface finishes and special requirements. About the risks involved, Mr Murdy says: “Doing business in China has been a successful learning experience. It fits well with our network of marketing offices in the Far East and Asia with headquarters in Tokyo. In China, STAL is the only manufacturing facility of its kind. We were the first joint venture in China by a United States steel company. With a population of over one billion in a country that is rapidly industrializing, the potential market is enormous. It is a successful initiative.

**TECHNOLOGY, SERVICE AND SYNERGY**

When asked about the key to the company’s successful operations, Mr Murdy’s answer is short but clear: “Technology: Our companies have a long history, not only of successful operations but also of successful product, and process development and process improvement. We are always



**Always looking for new technologies.**

success. An excellent example is the Total Corrosion Solutions™ consulting services the company offers. Through this program, customers can access the company’s extensive range

Technologies is a distinctive operation, maintaining its own identity and name. Mr. Murdy explains that each company within Allegheny Technologies has its own traditional

customers and markets. “In many cases those customers buy a single group of products on a regular basis and they remember the brand, and, its reputation. However, we also have an active co-ordinated business development program which addresses markets for customers with a need for a wider range of products. As we develop a broader relationship with our customers the Allegheny Technologies name will come to play a more important role.

**FUTURE**

In the light of the company’s ambitions, Allegheny Technologies’ perspectives for the future seem clear. “We continuously look for new markets. This way, we can continue to supply customers with an ever-growing range of excellent products. The possibilities are definitely there, according to Mr Murdy: “There will be continuing and new applications of our products. We also expect an increasing need for high grade, corrosion-resistant materials in the chemical processing operations.” Other areas where he sees future promise are nuclear fuel storage facilities desulphurisation plants, process industries and marine industry. “Demographic trends and demand for improved quality of life, are creating strong growth in the biomedical materials market. Allegheny Technologies produces an extensive line of metallic biomaterials, including premium cobalt-based and titanium-based alloys and stainless steels, which are internationally approved for implants and biomedical devices, such as replacement hip and knee joints. Mr Murdy: “I expect continuous development of new alloys, processes and applications for the years to come. Allegheny Technologies intends to



**Mr Murdy: “I expect continuous developments of new alloys”.**

play an important role in the field of high-technology specialized materials. Our knowledge of how to develop better and more cost efficient products will continue to grow. Business development plays an important role across the company, identifying new opportunities. We already have some remarkable materials we will continue to focus on cutting costs in order to expand the applications for our products.” Elaborating further on the future of his company, Mr Murdy says that Allegheny Technologies will also con-

tinue exploring growth opportunities as a means to expand the company’s portfolio. “A good illustration of this is the combination between Allegheny Ludlum and Teledyne five years ago. Until that time, Allegheny Ludlum was a stainless steel company with some specialty steel. The combination between the two companies broadened our offerings in a very significant way into the high nickel alloy and titanium business. Exotic materials from Wah Chang gave us a market presence in that area as well.” Allegheny Technologies’ plans for the future clearly show that being the number one in specialty materials is everything but a hollow phrase. It is a target that has been set, one to be worked towards diligently. Mr Murdy: “Our special materials do indeed make the world.”

FACTS & FIGURES	
Parent company:	Allegheny Technologies Incorporated.
Business units:	Allegheny Ludlum, Allvac, Wah Chang, Allegheny Rodney, Rome Metals, Titanium Industries Metalworking Products, Portland Forge, Casting Service
Location:	Headquarters in Pittsburgh, Pennsylvania, USA, global presence in 17 countries
Nr. of employees:	11,400
Products:	Nickel-based alloys and superalloys, titanium and titanium alloys, exotic materials, stainless steel, tungsten powders
Applications:	aerospace, oil and gas, mining, power generation, orthopaedic, biomedical, chemical processing, marine, transportation, nuclear industries, super conductors
Sales in 2000:	USD 2.46 billion