



# Energy Metals Inc: Special invests in excellence

**Energy Metals Inc. (EMI) is a master distributor of specialty stainless and high-grade nickel alloys based in Houston, Texas, USA. The company's highly-experienced personnel and extensive inventory makes it stand out; these are the two pillars upon which its success is founded and maintained. EMI has grown in size, market share and reach through extensive programs targeting investment and organic growth over the past four years, while retaining the heart of a family-owned business.**

*By Candace Allison & Joanne McIntyre*

Energy Metals Inc. was founded in 2004 by Mike Priesmeyer (Executive Vice President Procurement) and John Drewry (Vice President- Sales), who recognized an opportunity to offer shorter lead times than larger

distribution companies. In 2010 the company was purchased by Texas Pipe & Supply, one of the largest distributors of carbon and stainless steel pipe, fittings and flanges in the United States. With Texas Pipe's focus on inventory



*Dennis Fikes: "As we have expanded our range of nickel alloys, we expect continued growth in our export market".*





# It's a steel master distributor

investment and the experienced staff at EMI, a high-quality and mutually beneficial partnership was born. "Texas Pipe's philosophy has been to invest in Energy Metals and let it grow and run independently as a master distributor. Because we have been able to reinvest our profits into the growth of the company, EMI is currently finalizing its fourth expansion in three years," said Company President Dennis Fikes. A long company history and wealth of experience has allowed EMI to become an industry leader in metals distribution. Four key team members have more than 30 years each of experience in the field. In addition to a company-wide commitment to service, this myriad of experience is a key differentiating factor, making EMI stand out against competition.



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### **Inventory**

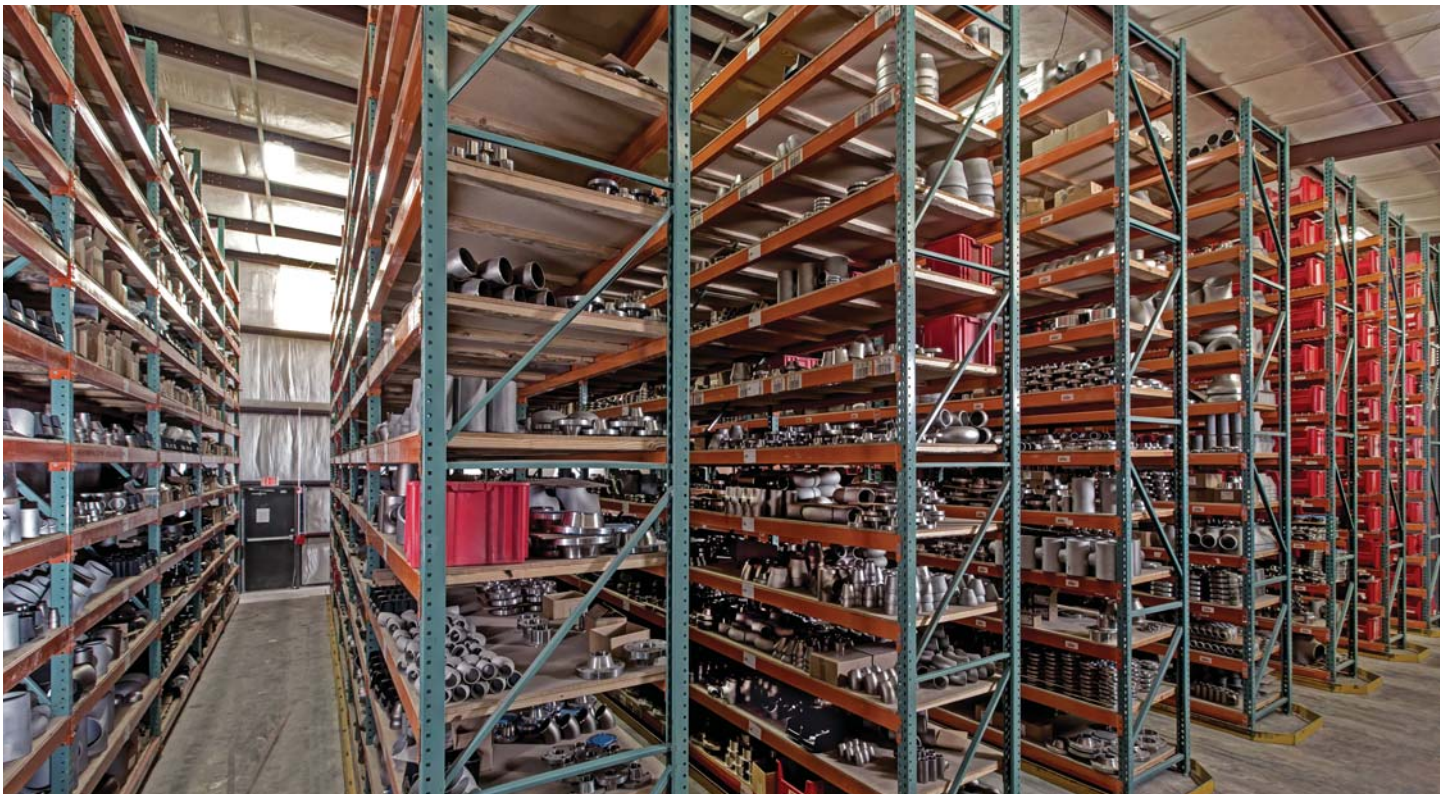
Today, Energy Metals Inc. has 15 grades of products in its inventory, encompassing everything from alloys for high temperature to highly corrosive applications. EMI offers a full complement of pipe, butt-weld fittings, flanges, pressure fittings and nipples, available in all grades.

Boasting one of the largest inventories and ranges of product in the country, EMI can accommodate most customer requests from current stock. In specialty grade stainless, EMI stocks Alloy 20, 304H, 317/317L, 310S/310H, 321/321H, and 347/347H. The company also stocks nickel grades in Nickel 200/201, Monel® Alloy 400, Inconel® Alloy 600, Inconel®

Alloy 625, Incoloy® Alloy 800H/HT and Incoloy® Alloy 825. In addition, EMI has one of the largest inventories of Duplex 2205 and Super Duplex 2507 in the country as well as Hastelloy® C276 Alloy. An in-house machine shop allows EMI to complete most job requests within one business day.

### **Major Investment Benefits Clients Through Increased Quality Controls**

As part of an overarching quality program, EMI has invested in a range of technologies and equipment to help ensure the customer gets the correct product the first time, every time. "Most of the orders we receive are time-sensitive and must ship out the same day. If we ship the wrong grade or schedule, it costs everyone money and causes frustration," said Fikes. EMI has invested in a Positive Material Identification (PMI) machine. When material is received, a minimum of 10% of the material is checked to ensure that the supplier has sent what has been ordered. In addition, the system equipment is utilized for 100% PMI checks on outbound shipments per customer requests. Another quality-control investment includes a state-of-the-art digital meter to check the wall thickness of different products. Like PMI, as part of the



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receiving process, the quality program dictates that a minimum of 10% of every receipt is checked to make sure the material is within tolerance. In addition to checking wall thickness variations, it also tests dimensions to make sure fittings and flanges are within specification. Due to the types of environments the products go into, EMI has invested heavily in its quality control systems. When an order is placed, EMI strives for customer peace of mind in knowing the correct material is shipped on time. EMI's parent company has spent millions of dollars on its ERP system making sure the software works for all employee users as well as customers. Tallies are entered as the loader picks the material ensuring accurate information. Heat numbers are entered as the product is picked and the ERP system makes sure the heat number reflects the product the customer has ordered. All orders are ready in advance of shipment. As a result, quantities, heats and material test reports are available before shipment if the customer needs it. As a matter of procedure, the packing list, tallies and material test certificates are always sent to the customer when the material ships.

"Our computer system sets EMI apart because of its ability to detect and remove any potential human errors in the system. When shipping locally, it's a fairly straightforward process of pulling an item, loading it onto a truck and sending it off. Much more care is required when shipping overseas. All the technical details the client has requested such as weights, certifications, tolerances, batch numbers and often MTRs must be prepared in advance before the product can be shipped. Our system does all of this automatically. A lot of our customers are distributors who would otherwise have to carry out these steps themselves, so we save them a lot of time and inconvenience," said Fikes.

### Looking Ahead: Capacity for Growth

Just one year ago 100% of EMI's business was within North America. Today, more than 10% is made up of international shipments.

"As we have expanded our range of nickel alloys, we expect continued growth in our export market. Looking to the future, we are starting to see a significant increase in LNG projects off the Gulf Coast for which our product

range is well suited. Certainly during the construction stage there will be strong demand, as well as for the eventual maintenance market. Fracking is also creating a boom in the natural gas sector. The industry is gearing up to extract huge amounts of natural gas and ship it for offshore export, which will generate billions of dollars of project revenue. If fracking hadn't taken off the industry would look very different, and it's really having a huge impact," said Fikes. EMI is optimistic about the growth of the industry and is looking forward to working on future projects. The company's values, instilled by a 100 year-old family-owned parent company, have provided a solid foundation for strong business practices. With a commitment to quality products and unparalleled service, EMI continues to strive for excellence for its customers.

### Facts & Figures

Name:	Energy Metals Inc.
Headquarters:	Houston, Texas, USA.
Employees:	35
Key products:	Specialty stainless and high-grade nickel alloys