

Sachin Steel: Saving custom

When the Shah family first founded the inaugural Sachin Steel Company in the 1990s in India, they never imagined it would become a leading distributor, importer, and exporter of flat rolled and long rolled stainless steel and high-nickel alloy products in the United States of America (U.S.A.). Since its establishment in the U.S.A., in 2014, Sachin Steel has already made more than USD \$25 million in annual revenue.

Stainless Steel World Americas had the pleasure of speaking to Sachin Shah, President and CEO of Sachin Steel Inc., who described the many services and products that the company offers to its customers both internationally and within North America, as well as Shah's goals for 2020, and the years to follow.

By **Catarina Muia**

From India to the U.S.A.

Sachin Steel Private Ltd., parent company of Sachin Steel Inc., was founded in 1994 by Sachin Shah's father, Shantilal Shah. Located in Ahmedabad, Gujarat, in India, Sachin Steel Private Ltd. first began interactions with the U.S. market through purchasing excess stainless steel and high-nickel alloy scraps from various U.S. companies for use in India. "I already had a background in the U.S., as I obtained my master's degree in Industrial Engineering from the University of Houston in Texas. This experience in the U.S. turned out to be extremely valuable and was, in fact, the reason I decided to bring my father's business to America," Shah recalls.

Following his graduation from university, Shah returned to India, worked, and gained experience at Sachin Steel Private Ltd. "After five years of working at my father's company, in September 2014, I came to the U.S.A. to form Sachin Steel Inc. Since then, we have continued to expand our business in the U.S. market," Shah states.

As a member of the Metal Service Center Institute (MSCI), Shah has been able to build and maintain many connections for Sachin Steel Inc. "We have been participating in MSCI's conferences for years, as well as the golf tournaments, chapter events, and meetings. As we have sponsored many of the events, we have had the opportunity to connect with all the major service centers in the U.S.A.," Shah explains. "When we meet with the executives of these service centers, they really like the idea of us purchasing their scraps and shipping them overseas." The company is also a big participant in trade events for the American metal market, the Institute of Scrap Recycling Industries (ISRI), and CRU Ryan's Note events, all of which have made Sachin Steel Inc. a well-recognized name in the scrap industry.

With a background in Industrial Engineering, Shah has learned that the Sachin

Steel's business model 'Stay Lean, Stay Clean', is an important one to follow in the industry. When it comes to approaching service centers and mills in the U.S.A., he highlights the significance of timely clean-up for excess inventory, as it improves cash flow and provides efficient floor space.

Services and products for U.S. customers

Sachin Steel offers a wide range of services and products to its customers. Its distribution is primarily focused on flat rolled and long rolled specialty metal products, mainly constructed of stainless steel and high-nickel alloys.

The company's products are split into three categories:

- 1. Stainless steel flat rolled products:** This includes sheets and coils, which accounts for more than 70% of the company's revenue.
- 2. Stainless steel long products:** This includes tubes and bars, which accounts for about 15% of the company's revenue.
- 3. Stainless steel and high-nickel alloys scrap:** This includes plate skeletons, laser, plasma, and waterjet-processed and unprocessed scrap, as well as stainless steel turnings, stainless steel solids scrap, and high-nickel alloy. This currently accounts for about 15% of the company's revenue, but Shah sees major growth for these products in 2020.

Sachin Steel's products are offered in 300-, 200-, and 400-series stainless steel, as well as high-temperature nickel alloys including inconel, monel, and hastelloy. With warehouses located across the U.S.A., Canada, and Europe, the company is able to keep large amounts of inventory at a time. "Our Chicago warehouse contains between 600 to 700 tons of stainless



Sachin Shah, President and CEO of Sachin Steel Inc.



Shantilal Shah, Chairman of Sachin Steel Private Limited, India.

steel, our Baltimore warehouse contains about 300 to 400 tons of stainless steel, the Savannah warehouse contains about 200 tons of stainless steel, and the rest of our stocking locations including Kansas City, Houston, Canada, and Europe keep about 300 to 400 tons. Altogether, we carry about 1,500 tons of stainless steel inventory," Shah states.

With multiple warehouse locations throughout the U.S.A., Shah has the ability to make customers' lives easier by cutting shipping times and costs. "I do everything by location. If one of my customers in Texas or Louisiana has available inventory to sell me, I can ship it directly to my Houston warehouse," he explains. "If there is available material in the middle of Ohio or Pennsylvania, then I will ship it to the Baltimore warehouse."



ers time, money, and space



Sachin Steel's end-of-month targets for vendors are taken seriously to ensure timely pickups are made and that payment is made immediately, as the company's vendors' scraps are turned into cash. With a dedicated team in logistics, Shah explains that the company ensures that customers' targets are met in a timely manner. Sachin Steel also offers custom solutions for manufacturers in the U.S.A., where customers are ensured that products are 100% exported, and therefore, does not hurt the customers' domestic demand.

Export markets

Sachin Steel Inc.'s primary export customers are based in India, Vietnam, United Arab Emirates, Pakistan, Egypt, China, and Turkey with applications of scrap in foundries, architectural railings, kitchen equipment, and fasteners. Sachin Steel is further looking to expand its customer base in Russia, Ukraine, Taiwan, South Korea, and the Middle East.

Achieving success

Logistics play a vital role in the company's success, as stainless steel scrap prices in India are stronger than domestic, U.S. prices. This enables the company to purchase scraps from the U.S.A., and still export to India. The shipping costs to India from major U.S. ports are around USD \$700 to USD \$1,000 per container, which is around .02 cents per pound. This is the primary reason for Sachin Steel's success over domestic scrap players.

"If a company needs to sell leftover inventory arising from an oil and gas project, but are being quoted extremely low prices for it, they will look elsewhere. Customers want to find a company that will buy more of their scraps for a better price," Shah



states. "We buy it from them, we sell it overseas, and we not only pay more than scrap value of that product or excess inventory, but we also ensure that it goes to an overseas customer, which makes everyone happy." Sachin Steel acts as the bridge between the manufacturer and the service centers by helping service centers keep their product overseas, and getting rid of their excess inventory. "We provide the ideal solution for the oil and gas industry because we pick up their surplus and used stainless steel products from their field sites. Sachin Steel can also provide investment recovery solutions for stainless steel inventories in real-time. Whether its a cancelled project, excess or reject inventory in stainless. We offer a one-stop solution," Shah continues.

"The price we provide our vendors is also very competitive compared to their other scrap channels in the U.S.A., due to a big supply chain. If they just sell to Sachin Steel Inc., the excess inventory and scraps go directly to the overseas export market. Therefore, time and energy is saved," says Shah.

A future goal

When asked how his father feels about the success Sachin Steel has already experienced after only five years in the U.S.A., Shah says, "He cannot believe how much we have already progressed. Our business model is absolutely perfect for U.S. manufacturers and distributors because they always need some kind of a channel between who can pay them as quickly as possible, and take all of their excess inventory. There are not very many solution providers that can take such big volumes of inventory and store it in-house. The way I see it, by the end of 2022 we should be reach around USD \$50 million in annual revenue."

In order to achieve this, Sachin Steel Inc. plans to open recycling facilities in Canada and Baltimore, U.S.A. by the end

of 2020. Shah is also looking to bring the company's business model to the pipe and tube companies. "We are also looking to connect with flat rolled product companies. There are so many service centers and long product manufacturers in the U.S. we have still not connected with yet, so there is a big scope of expansion in that area."

Looking toward the future, Shah will continue bringing the stainless steel and high-nickel alloys scrap solution to processors and service centers to sell the customers' scraps in a monthly program. This program will not only clean excess inventories, but it will also take metal scrap generated from coil cut-to-length, polishing and slitting lines, and scrap generated from laser, plasma, and waterjet machines. With its existing vendor base, Sachin Steel's operational model for buying excess inventory of flat rolled products has been widely accepted by major metal service centers based in the U.S.A., opening the door for future expansion of purchasing scrap with its various customers.

Currently, the U.S. market makes up about 80% of Sachin Steel's revenues. "Our goal is to reach out to companies with multiple locations, such as the petroleum, and onshore and offshore oil and gas companies. If they are working on projects outside of the U.S., for example in Mexico, Brazil, Africa, or Saudi Arabia, we want to build a relationship with those customers."

Contact Sachin Steel Inc.

To reach Sachin Steel Inc., send an email with an inventory spreadsheet and pictures to sachin@sachinsteel.com for a quick quote, or call +1-844-SACHINS or +1-571-309-3007.

As a buyer of excess inventory and scraps, Sachin Steel offers solutions and services for metal service centers, flat product producers, long product producers, and machine shops:

• Solutions for metal service centers and stainless steel flat product producers:

- Buying excess and rejected inventory of stainless steel sheets, plates, coils, bars, tubes, and pipes
- Buying processed and unprocessed scrap arising from cut-to-length machines shearing machines, laser, plasma, and waterjet
- Scrap pickup of sheets and pup coils

• Solutions for stainless steel long product producers:

- Buying excess inventory of round bars, pipes, and tubes
- Scrap pickup of remnants

• Solutions for machine shops:

- Buying stainless steel scraps in all forms including stainless steel turnings and remnant bars

• Solutions for oil and gas (onshore and offshore):

- Buying leftover or excess inventories of flat products (coils and sheets) and long products (valves, pipes, and fittings)
- Buying obsolete or leftover inventories of canceled and ongoing projects

