

# TriMas builds global base from Bloomfield Hills

By BARRETT KALELLIS  
Special to The Oakland Press

As Michigan's auto companies continue to re-evaluate their market position and restructure their operations to reflect their shrinking base, at least one manufacturing company with established roots here is expanding its global footprint — TriMas Corp. in Bloomfield Hills.

## BLOOMFIELD HILLS

Since it was formed in 2002, TriMas has functioned as a holding company that has acquired engineered products businesses in five diversified market segments: packaging systems, energy products, industrial specialties, RV and trailer products and recreational accessories. In each of these distinct areas, TriMas products hold either first or second market positions, well-established for their long-standing, high-quality, name brand recognition.

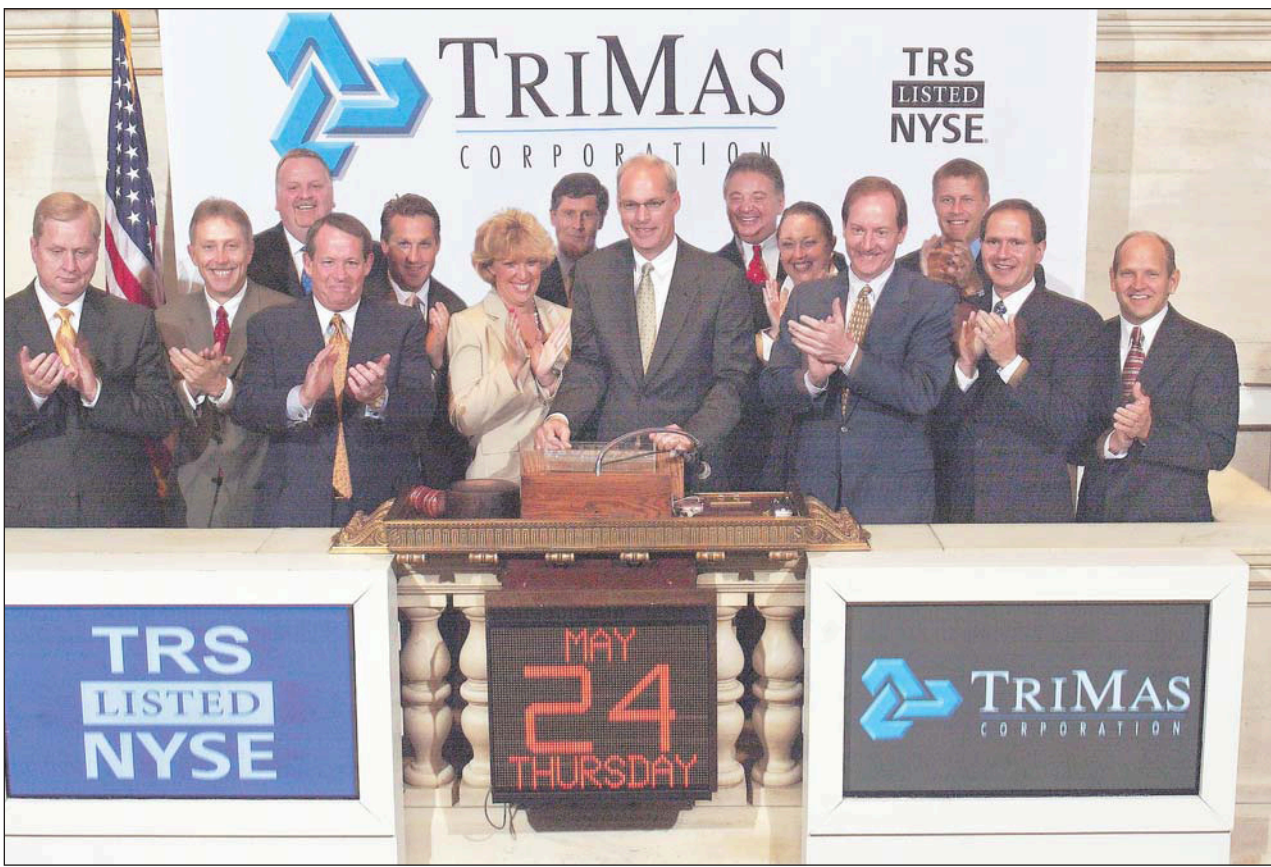
TriMas does business in 10 countries, with a work force of more than 5,000 located in 80 facilities — with more than 10 percent employed in Michigan. Eighty percent of the company's sales revenue, currently over \$1.0 billion, comes from North America.

About 25 years ago, a handful of businesses were spun off by Masco Corporation that in the late 1990s were merged into MascoTech. When MascoTech was sold in 2000, it became the Metaldyne Company, and TriMas was formed as an independent, private group of businesses in 2002.

Grant Beard was brought in as president and CEO of the new venture, which had revenues of about \$700 million. Beard augmented his top management and strengthened infrastructure resources with new plant construction in various locations and by consolidating others. He also relocated key facilities, reduced overhead and administrative costs, and established central purchasing and offshore buying offices. These efforts paid off in building the company to a point where it could be taken public again, an event that took place in May of this year.

TriMas' very successful initial public offering brought in \$139 million, which helped the company to retire outstanding debt, reinvigorate the focus on product development and gave it additional capital to grow faster than it might as a private company.

Beard and his team had set three primary goals for TriMas: To increase market penetration in already established product lines; to expand into new markets, particularly Southeast Asia and Western Europe; and to continue to make small acquisitions of companies whose products were complementary to existing ones, and ones that might open up new markets such



TriMas President and CEO Grant Beard (center), surrounded by TriMas employees, rings the bell to begin trading at the New York Stock Exchange last May when the company went public.

### TriMas Corp.

**World Headquarters:** Bloomfield Hills  
**Locations:** 80 facilities in 10 countries, located in North America, Western Europe, Southeast Asia and Australia.  
**Employees:** 5,000 worldwide; 500 in Michigan  
**Sales:** \$1.02 billion  
**Business Areas:** RV & trailer products, recreational accessories, packaging systems, energy products, and industrial specialties for the oil & gas, petrochemical, aerospace, defense, commercial and medical markets.  
**Key Products:** Custom-engineered trailer products, brake controls, lighting, towing and cargo management systems, packaging and insulation systems, engines and replacement parts, gaskets, and industrial products (including aerospace fasteners, high pressure cylinders and precision cutting tools).  
**Information:** www.trimascorp.com

as aerospace and medical equipment. New product development would also assist in achieving these objectives.

The overall strategy was to find the right balance among the key critical factors of financial discipline, operational excellence, market leadership and people development. High product margins would lead to increased earnings and cash flow; debt reduction

spurred improved credit ratings and increased investment. Education and training programs would further develop employees, while adding more sales and technical people in the field might discern growth opportunities.

"In my mind, the secret of all successful companies comes from producing something special, as in our case, highly engineered products, in combination with a focus on profitability, not just on revenue growth" said Beard. "Our company has outstanding margins based on highly engineered products designed for applications where quality, service and integrity make all the difference."

Beard takes great pride in the ability of TriMas companies to innovate new products for customers — innovations that create new business as well as form closer ties to customers.

A recent example was the development of a new one-sided installation bolt for the Boeing Company for use on its new 787 Dreamliner commercial passenger jet. As much as 50 percent of the primary structure — including the fuselage and wing — on the 787 will be made of composite materials.

Working with Boeing engineers, TriMas' Monogram Aerospace Fasteners division created an advanced high-strength titanium "blind" bolt for use in high-stress areas where high shear and tensile loads are carried. Whereas solid shank fasteners would normally be used, Monogram's OSI-Bolt was

specifically designed as a direct replacement for two-piece solid shank pin and collar systems, providing not only more strength, but allowing for faster installation by a single operator, with no need for corebolt shaving.

"The new fastener will not only bring in \$5 million in new business from Boeing in full production, but Europe's Airbus has also become a Monogram customer," said Keith Brunell, vice president of sales and marketing.

With its world headquarters in Bloomfield Hills, TriMas has made a strong commitment to local charities through the TriMas Foundation, which makes outreaches into communities where the company does business. The foundation has made sizable contributions to charities that help children.

In June, the company held its Fourth Annual Charity Golf Event at Orchard Lake Country Club to benefit the After School Learning Center.

In spite of a sluggish Michigan economy, business at TriMas is growing. For the six months that ended in June, company sales grew at a rate of 4.5 percent over the comparable period in 2006.

"There are many opportunities out there for future growth in our markets," predicts Beard. "We want to be a company that nurtures excellence. We want to take TriMas from a good company to a great company."

## METRO BUSINESS



JOSEPH SZCZESNY

# Automakers need foreign policy experts

General Motors Vice Chairman Robert Lutz caused a stir earlier this year when he suggested Toyota has as much or more political influence in Washington, D.C., than GM.

Lutz pointed out Toyota has artfully spread its investments in new plants across the American landscape, all the way from Michigan to Texas. The rising influence of Toyota, which is vying with GM to become the world's largest automaker, has put GM at something of a competitive disadvantage, he added.

However, recent developments also suggest car makers not only need a political strategy. They also need a foreign policy, which is probably why DaimlerChrysler Chief Executive Dieter Zetsche signed up the company's top Washington lobbyist before turning Chrysler over to Cerberus Capital Management.

In turn, executives at Cerberus must have been, or should have been, surprised earlier this month to learn that Chrysler's erstwhile Chinese partner, Chery Motors, is thinking about expanding into Iran.

Chrysler's executives, with help from Stuttgart, have spent months courting Chery and this summer finally inked a deal with the Chinese automaker. The goal is to use vehicles made by Chery to bolster Chrysler's position in the subcompact market around the world.

Chrysler hopes to use the alliance with Chery to bolster its presence in fast-growing markets outside the U.S., where Chrysler's presence is basically negligible when compared to that of General Motors or Ford.

Chrysler also is preparing to furnish Chery substantial amounts of technical assistance to improve both the quality of Chinese automakers' products and upgrade its engineering capacity.

Chery, however, is still a free agent and its management is very ambitious. The ink was hardly dry on the Chrysler deal when the Chinese automaker turned around and signed another deal with Fiat, the Italian automaker.

Last week, Chery also produced its one millionth car and noted in a statement that it took six years to build its first 500,000 vehicles but only another 18 months to reach the one-million vehicle mark.

The state-run Xinhua News Agency said Chery is currently able to produce 400,000 cars a year, and plans to open a new plant in October that will boost output by 300,000 cars a year, according to a report from The Associated Press.

In and of itself, Chery's decision to explore or consider some kind of venture in Iran isn't a huge surprise.

The People's Republic of China, after all, has diplomatic and trade relations with Iran and analysts also have now identified Iran as potentially one of the world's most promising markets for new cars and trucks.

One analysis I read recently predicted that Iran could emerge as the world's 10th largest automotive market over the next decade, but the country's infrastructure for building new vehicles is old and substantially worn.

Thus, it represents a potentially rich target for an upstart like Chery, which appears determined to grow quickly.

However, Iran is one of the few places in the world that is completely off limits for American car makers.

Maureen Kempston Darkes, the executive in charge of General Motors operations in Latin America, Africa and Middle East, said GM is looking to expand its sales in the Middle East and Africa. In fact it's eager to grow in the region, even though it is very volatile politically, she said.

However, there is no way an American car company can do business in Iran, she said. "It's illegal," she said flatly during a dinner with reporters last week.

GM once did operate in Iran, but it pulled out after the Shah of Iran was run out of the country in 1978.

The situation isn't likely to change. The U.S. and Iran have had a long and contentious relationship that appears likely to continue over the next several years, regardless of who occupies the White House.

The next president will very likely maintain the basic policy of containment that the U.S. has followed since the early 1980s. In fact, the sanctions and limits on trade with Iran could become even more strict in the future if tensions between the U.S. and Iran continue to escalate.

Meanwhile, Chrysler executives ought to pay closer attention to their new Chinese partner's plans and ambitions.

The last thing the new Chrysler really needs now is get drawn into a major league controversy because its Chinese partner is busy fishing in the long-troubled waters around the Persian Gulf.

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# Remember, diversified portfolio is key to success

I have always said that a good investor needs to have an iron stomach. In times like these, I hope readers can see why I've repeatedly stressed the

importance of diversifying your portfolio through asset allocation — spreading investments across various asset classes. Experts believe it's an efficient way to manage risk while still allowing growth. Since different types of investments can move in and out of favor quickly, there will frequently be times when you're holding an underperforming asset. However, when the

## PERSONAL FINANCE



KEN MORRIS

general market falters, underperforming investments can often step up and help keep your overall portfolio from going into a tailspin.

Investors often question themselves in difficult periods. It's easy to convince yourself that you don't need the stress that can come with investing. You might be tempted to abandon your investment strategy and simply move everything to cash. Today, I'd like to explain why throwing in the towel is not a good idea.

The first real market downturn for many investors was October 1987. If you had abandoned your investment strategy then and never again re-invested, you would have missed out on a significant run-up in the equity markets. Even taking into account the three-year downturn that began in March 2000 and was made even more tenuous by the Sept. 11 attacks, you'd be ahead. In spite of all that was going on over the past 20 years, the markets

persevered, and those who stayed the course were rewarded. Yes, there was stress, and that iron stomach did a lot of churning. But patience paid off.

One investment area that many considered a "sure" winner was real estate. A lot of money has been made in real estate, but as we now see, real estate can have its difficulties. It can be part of a diversified portfolio, but it should never be the entire portfolio.

Longevity is the reason you should stay diversified and not throw in the towel. People today are simply living longer, so it's important that their money lasts as long as they do. Additional government programs can't do it for everyone, so it is up to every family to better prepare for their longer life expectancies.

Money is made in two ways: Either you work or your money works for you. The well-respected financial research firm Ibbotson Associates

recently completed a study. It showed that if one held a portfolio of 75 percent bonds and 25 percent stocks and withdrew 6 percent per year for 25 years, their rate of success was just 22 percent. However, if one were to switch the allocation to 25 percent bonds and 75 percent stocks, the success rate jumps to 60 percent. The study demonstrates that if you want to get through retirement with a comfortable income stream, you need growth. There will be more discouraging times ahead, but history has been kind to those who rode out the financial storms.

Keep in mind that individual investor's results will vary, and past performance is not a guarantee of future results.

Fax your questions to Ken Morris at (248) 952-1848 or e-mail to ken.morris@investfinancial.com. He is a registered representative of Invest Financial Corp.

**ATTENTION TO RETENTION:** Employers, do you know what will send your best workers packing? By asking a few simple questions, you can keep your company's talent from being wooed by the competition. "Adopt the policy that no one will work at a company longer than one year without being re-recruited by the boss," said Michael Jalbert, president of employment recruiter MRINetwork. "Drop loyalty from your vocabulary and accept that you must continually challenge top talent if you are to keep them." Jalbert suggests the following questions to learn more about how your employees feel about their jobs: If you could make any changes to your job, what would they be? What wouldn't you want to change? In the morning, does your job make you jump out of bed or hit the snooze button? If you suddenly became financially independent, what would you miss most about your job? If you could return to a previous position, what would it be and why? What can we do to keep you with us?

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