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Military, Solar Energy Projects Key to Quality Iron's Success

The Spring Valley steel fabricator and erector is one of San Diego's fastest-growing businesses in 2010

By **Tom York** January 5, 2011

After weeks of searching for the perfect site, Keith Coe moved his fast-growing steel fabrication and installation business to Spring Valley from El Cajon in December 2009.

It proved to be a fortuitous move—in more ways than one. He's one of the biggest success stories of the year for East County.

In the year since [Quality Iron Products Inc](http://www.qualityiron.com/) (<http://www.qualityiron.com/>), relocated to an industrial park located at 2500 Sweetwater Springs Blvd., Coe has grown the business 400 percent and increased the employee count to 50 from five.

"The new site has enabled us to take on the larger projects we could not do efficiently in the past," said Coe. "It was a very good move."

The 1.5-acre Spring Valley site is five times larger than the previous shop in El Cajon and features a state-of-the-art fabrication shop, where orders can be handled easily.

"We can process up to 5,000 tons of steel a year, which allows us to compete with steel fabricators throughout the Southwest," said Coe.

The privately held company erects the steel frames found in all commercial and military buildings, and has become a major player in large-scale projects involving solar energy.

The projects range from collectors atop large office buildings and schools to collectors installed atop carport parking structures.

Incidentally, Quality Iron is one of the region's largest manufacturers of metal stairs, a mundane but critical component of all multistory buildings. Coe's team has come up with a method that eliminates several laborious steps in erecting staircases.

Military construction represents about 35 percent of the business, while solar represents 25 percent. Commercial and public sector work represents the rest.

The 37-year-old Coe launched Quality Iron two and a half years ago, having no previous experience in steel fabrication, or in general construction for that matter.

However, this serial entrepreneur had successfully built and sold businesses in the other highly regulated service industries over the past 10 years and that gave him insight on how to run a business—any business.

Based on his entrepreneurial skills, Coe jumped in and started educating himself. Drawing from the experience of several career iron workers and steel erectors, Coe began to establish the groundwork for a new business model in an old industry.

Early on, he landed several contracts with general contractors involved in military projects, especially at Camp Pendleton.

Military construction has become a key market in the region as the projects in the commercial and industrial markets have disappeared in a struggling economy.

In fact, the military is spending more than \$5 billion on new construction projects, more than \$3 billion at Camp Pendleton alone.

But Coe was also keen on getting into the fast-growing commercial solar market and set out to accomplish that goal in 2010.

Quality Iron's seven major solar projects in 2010 included installations at Cal Poly Pomona, the Naval Air Station at Point Mugu and Port Hueneme, the Naval Air Weapons Station at China Lake, and a major solar collector project at UC San Diego.

"Solar and sustainable projects have become key sources of work as more and more public agencies, such as K-12 school districts, colleges and universities and the military in the region, continue to upgrade and go green," said Coe.

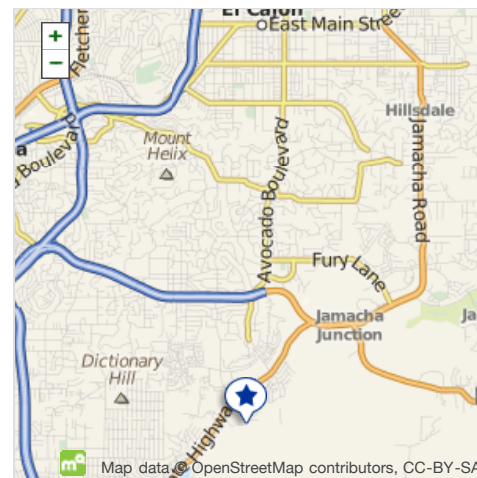
In fact, Quality Iron became so successful at landing solar contracts that general contractors came knocking on his door, wanting to find out the secret to landing so many contracts in this relatively new sector. Quality Iron's design team works closely with its partnering general contractors to find a solution that will make budget.

Indeed, Coe's managerial talents and his business acumen, have been phenomenal.

Quality Iron landed a year's worth of contracts in the first quarter of 2010, so Coe had to ratchet up his projections—and output—accordingly.



PHOTOS (4)



At one point, he was hiring an average of two new iron workers a week to perform all the work coming in the door, and Coe strained to keep cash flow stable while maintaining the quality of work.

He re-invested profits into the business, purchasing two CNC (Computer Numerical Machines) steel fabricating machines, one costing the company a quarter million dollars.

Coe says the drill line and plasma-cutting machines can do the work of 10 men with much more accuracy, which saves not only time but money.

The two CNC machines not only cut and bore holes in steel, but can also measure and mark beams and plates to eliminate painstaking measurements needed in the field.

He was also able to hire the best workers in the trade, because of the 30 percent industrywide unemployment rate.

Coe said one of his best hires was his foreman, who has helped reorganize processes in the yard to increase productivity. He also has great regard for all of his workers, both the veterans and the novices just entering the steel trade.

And his management team is the glue that keeps it all together.

Looking ahead, Coe said he sees more growth for his business, especially in the emerging green building sector.

He's come up with the idea of a portable solar charging station that can be plopped down in and around college campuses to provide electricity for cell phones and laptops. The design has been approved by the Division of the State Architect, which makes it easier to sell to K-12 school districts and college campuses.

The quick success of Quality Iron, especially in solar projects, flies in the face of critics who say industrial age companies can't compete in the green economy.

"We've demonstrated that old school can get re-schooled and compete in the 21st century economy with a focus on sustainability," said Coe. "Many of our new hires this past year are veteran iron workers who earn journeyman wages. We're adding jobs, well-paying jobs, not cutting workers loose, or moving to Utah. Manufacturing can thrive right here in San Diego."

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