R. Joseph Stratman

2011–2012 AIST President

R. Joseph Stratman, executive vice president, Nucor Corp., graduated from the University of Notre Dame with a degree in business administration. Prior to joining Nucor, he worked for several years in public accounting, first in Boston, Mass., and then in Fort Wayne, Ind. Stratman joined Nucor in 1989 as the controller of the Nucor Building Systems division in Waterloo, Ind. In 1991 he became the controller of the Nucor-Yamato Steel Co. in Blytheville, Ark. Stratman was promoted to general manager of the Nucor Steel–Nebraska mill in 1998, and came back to Nucor-Yamato Steel as vice president and general manager in late 1999. On 30 September 2007, Stratman was appointed to his current position of executive vice president. He has been active in several civic groups and industry groups throughout the years and formerly sat on the board of directors of the American Institute of Steel Construction. Stratman recently took time to speak with Iron & Steel Technology magazine.

I&ST: Tell us about your background and your career in the steel industry.

Stratman: I grew up in Northeast Indiana with no connection to the steel industry. I earned an accounting degree from the University of Notre Dame and began my professional career as a practicing CPA in the Boston area. When the time came to decide whether I wanted to take the next step to become a partner in the firm, I started looking for something else. At that time, in 1989, I was recruited into Nucor. With my finance and accounting background, I was initially hired as a plant controller with a new division. Nucor had just diversified and had entered into the engineered metal building business. The division had its own brand name and was called Nucor Building Systems (NBS). That was my first job with Nucor and my first exposure to the steel industry. It was obviously on the fabricated product side of steel — it wasn't making steel, it was using steel. This new position sent me back to Indiana, north of my hometown in Fort Wayne, where I spent a couple years. In 1991 I was transferred to Nucor-Yamato Steel in Blytheville, Ark., where I became plant controller. This was my first exposure to steelmaking. At that time, Dan DiMicco was the plant manager of Nucor-Yamato. He had assembled a great team of people at the plant. The people there were my first mentors in the industry. They taught me a great deal.

The misconception I had of the steel industry was that it was an older, staid, rust-belt industry. Once I got involved with Nucor, all those paradigms were shattered, and I realized how exciting and full of life the industry is — innovative not only from the technology aspect, but also from the environmental and management aspects. My entire experience with Nucor has been "textbook" business management — Business 101, you might say. We're dealing with a commodity product in a global marketplace, where we have to be progressive in terms of production efficiencies, cost, environmental management and organizational behavior. Given the various challenges involved in manufacturing steel, the industry is far more progressive than it is given credit for.

Although my experience started in the early '90s, the down times never concerned me because the day-to-day challenge was what drove me. The recession and the resulting pessimistic outlook in the early '90s didn't phase me because the challenge was always there. All of the challenges you hear about when you're learning business are in our industry. It's not just a marketing industry or a production industry — it's all of those things collectively, not just one dimension. This industry has it all. Looking at the day-to-day challenges, I didn't have concerns about long-term viability or economic cycles. It was just an exciting environment, and it kept me fulfilled.

I&ST: How did you first become involved in our organization?

Stratman: As I mentioned earlier, I grew up on the non-technical side, the business/finance side of things, so my first exposure to steel operations management didn't occur until 1998 when I was promoted to plant manager in Norfolk, Neb. We had just installed a new EAF twin-shell 100-ton furnace (five old furnaces were converted to a twin-shell), and we had some start-up

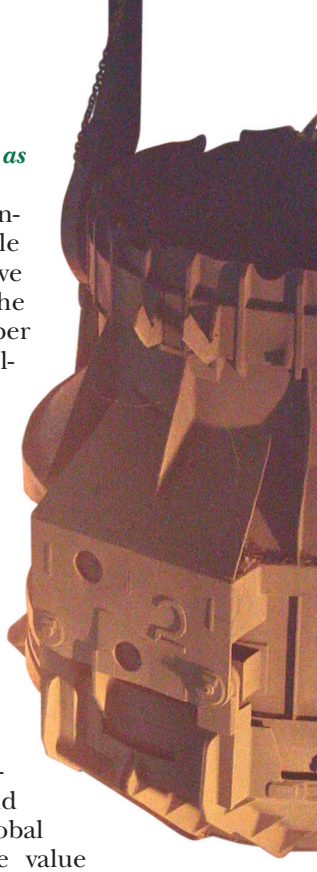
issues. I could only add moral support, as I had no technical background. But through my teammates, I learned about AIST and what a great organization it is for the people in our industry. Through various contacts in the AIST network, we were able to troubleshoot the start-up issues with the furnace and quickly get production on track.

I&ST: How important is your AIST membership to your company?

Stratman: I've appreciated my involvement with AIST because the steel industry has continued to evolve from not only a technology standpoint, but also an energy efficient and environmentally friendly standpoint. To add a sports metaphor, we've moved that ball far down the field. AIST is at the heart of that. In this organization, both veterans and newcomers to the industry can share ideas and benchmark processes that advance the industry on many levels. AIST provides an outlet for creative problem-solving that reinforces the cycle in the industry.

Once I became part of the steel industry, my preconceived notions vanished and I saw an industry that was exciting and forward-looking. AIST keeps that progressive mind-set going and enhances it. It gives a platform, an outlet for creative thought processes, and keeps the wheels accelerating to keep things moving farther down the line. Each company could do its own benchmarking, but this organization provides the avenue for broader thinking.

> ***"You have to enjoy what you're doing, and you have to do it with passion and enthusiasm ... that's what makes life great."***



I&ST: How do you view your new role as AIST president?

Stratman: Clearly AIST has momentum, and we have tremendous people in the organization, with many active members. This is demonstrated by the fact that AISTech had a record number of papers this year. The staff is well-skilled, engaged and working hard. The leadership over the last several years has given us sound direction. We're on a roll right now. My goal, simply said, is to keep the momentum going and to add to it.

One of my bosses said, "The only advice I can give you is that it's like we're driving a race car. I was driving at 200 miles per hour, and now you've got to get it up to 300 miles per hour." That's how I think about AIST. The momentum is there, going in the right direction. The value proposition is becoming more obvious and attractive. As AIST moves toward global programming and membership, the value proposition will be proved more and more. We are in a global business. Global expansion will provide a great opportunity. So, bottom line, my role is to keep things going in the current direction, and to help us to accelerate our pace.

I&ST: What insight can you share regarding the future of the steel industry?

Stratman: I'm not concerned about the industry as a whole. From an economic standpoint, it is clear that we're not out of the woods yet. Globally, we have suffered the worst recession since the Great Depression, and we're not going to recover from that in 24 or 36 months. It's going to be a long climb out of that until economic activity on a broad scale is back to where it was in the middle of the past decade.

The industry as a whole is not at risk because the material of steel is so integrated into the fabric of society. The products we make are too important to our customers for us to fail as an industry.

We've seen brand names and companies change over the years, and that can happen no matter what the economic cycle is. But the reality is that the economic cycle is not going to destroy the industry. The steel industry is too vibrant and too vital. The marketplace will determine if there will be more consolidation, but the industry will continue to grow.

I&ST: How can AIST continue to impact the next generation of iron and steel industry employees?

Stratman: The AIST Foundation now has an extensive annual scholarship program for students looking to pursue careers within iron- and steel-related industries. More than $400,000 will be awarded in the 2011–2012

school year through Foundation, FeMET, StEEL, endowment and Member Chapter scholarships. AIST is also part of the Material Advantage program, which provides a significant opportunity to reach a large student audience. Academic institutions in the United States, Canada and abroad now comprise 87 active Material Advantage chapters.

In addition, the Don B. Daily Memorial Fund was established this year by the Steel Manufacturers Association (SMA) and the AIST Foundation to commemorate the life and industry service of Don B. Daily, the former president of Gallatin Steel, who passed away unexpectedly in 2009. The fund will challenge North American university teams (students and professors) to submit proposals for grant funding in the theme area of safety and health awareness within the steel manufacturing industry. The dual objective of the fund is to promote a safe workplace for the steel manufacturing industry and to increase the number of students studying health and safety awareness relative to the manufacturing environment.

AIST is clearly dedicated to promoting interest in the steel industry among high school and university students. Through the efforts of the AIST Foundation and the Material Advantage program, young people will be more educated about the high-tech, diverse and rewarding nature of careers in modern steelmaking.

I&ST: How will AIST take part in global expansion within the steel industry?

Stratman: The development of international Member Chapters is part of AIST's strategic plan for globalization, membership retention and growth, as well as industry collaboration. This concept is intended to strengthen existing international Member Chapters and establish new ones in key steelmaking areas around the globe. The primary components of this initiative include Member Chapter development in Australia, Brazil, India and Italy.

Also, the AIST International Steel Academy is another initiative in support of globalized training and education. This concept is intended to transport and introduce the AIST brand to global markets where fundamental steel technology training is in short supply, while continuing to provide our regular curriculum of programs and member benefits in North America and other established markets.

In short, the International Steel Academy would consist of a one-week intensive course with two parallel tracks:

> ***"Once the steel industry gets in your blood, it never leaves. It's not just a job, it's your life."***

- The Making, Shaping and Treating of Steel (MSTS) 201: Steelmaking Track with coursework including cokemaking, ironmaking, steelmaking, refining and casting.
- The MSTS 202: Steel Shaping and Treating Track with coursework including rolling and processing of flat products and shaped products, process metallurgy and downstream processing.

The course will utilize multiple expert presenters and a repeatable curriculum in order to teach steel fundamentals at an in-depth level, targeting process engineers, operations and maintenance personnel, plant management, sales and service engineers, and anyone requiring a fundamental understanding of steel manufacturing.

Finally, AIST's Technology Committees have teamed with Management Science Associates (MSA) to develop the AIST Process Benchmarker (APB), a robust, Web-based analytical tool that will allow users to benchmark key metrics. The APB will provide production facilities with a tool to conduct comparative analyses, solve technical challenges, identify opportunities and raise industry standards. The APB system will be another of AIST's important value propositions to the iron and steel community.

I&ST: What do you see as the benefits of global expansion to AIST as an organization?

Stratman: AIST sees the primary benefits as providing a stronger, more comprehensive and better connected technical organization for our members, with universal and global industry appeal and a sustainable plan for growth. We welcome the opportunity to maximize our member network around the world and to provide technical programming on a global scale. With global cooperation, AIST can ensure an adequate supply of quality technology programs to nurture the sustainability of the global iron and steel industry. ✦