

## SPECIALTIES

- Hard to Find Items
- Fast & Reliable Deliveries
- Custom Packaging & Marking
- Just-in-Time Programs
- CalTrans Approved
- Fed & State Approved
- Full & Broken Bundles

## PROCESSING SERVICES

- Flamecutting
- Forming
- Cutting
- Punching
- Shearing
- Slitting
- Beam Splitting
- Welding
- Coating

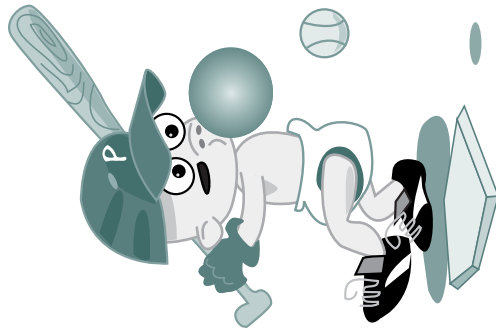


- WF Beam
- I-Beam
- HR Channel
- HR Sheet & Coil
- CR Sheet & Coil
- Galv. Sheet & Coil
- HR Plate
- Flat Bar
- Round Bar
- Square Bar
- Rect. Tube
- Round Tube
- Pipe
- Floor Plate
- Expanded Metal
- Trench Plate
- Shoring
- Stainless Steel
- Aluminum

**800.388.8998**  
[www.paragonsteel.com](http://www.paragonsteel.com)

PRESORTED  
STANDARD  
U.S. POSTAGE  
PAID  
TMH, Inc.

**PARAGON STEEL**  
3700 Santa Fe Avenue  
P.O. Box 9009  
Long Beach, California 90810



**A HIGHER LEVEL OF  
QUALITY AND SERVICE**  
[www.paragonsteel.com](http://www.paragonsteel.com)



## JULY 2007 NEWSLETTER

# RISK versus REWARD

*By Jim Stavis*

Newspapers report everyday about the winners and losers of the business world: those who speculated and won and those who played it safe and lost. Such running commentary would confirm the widely held belief that risk and reward are closely related.

In a new book by Adrian Slywotzky called "The Upside", he examines the conventional wisdom that risk and reward go together. "Risk and reward are not inextricably linked. The leaders of today's most successful companies are not risk takers, but are risk shapers." What companies such as Toyota Motor Corp. and Nucor Steel understand is that you can compete in advance. "You

*(Continued Inside)*



## Risk Versus Reward

*(Continued from Front)*

can systematically ‘de-risk’ your enterprise by paying closer attention to how your customers are changing and by thinking harder about how your market is developing.”

First customers. They really can be a fickle lot. One day they want to inventory their own raw materials, the next day they want suppliers to

inventory them and the next day they want a Just-in-Time system of inventory. Toyota was up to the challenge. While their competitors were building bigger SUVs, they focused on fuel efficient cars. 14 years ago they chose to invest over \$1 billion in the Prius hybrid, a project that would have been fraught with risk, had management not made a number of bold decisions. It aimed high, seeking maximum fuel efficiency. 80 different

engines and 20 different transmission systems were tested along the way. Risky? Not nearly as risky as not planning the launch (as Honda did) or being too slow to anticipate the need and demand as Detroit was.

How have steel users reacted to change? Time was product manufacturers wanted to control their enterprise from beginning to end. They would design their products, purchase their raw materials, own all the equipment for manufacturing, employ the labor force, package and ship the product on their own trucks. Today’s manufacturers operate differently. They partner with material providers to bring in materials just in time, they outsource portions of

their manufacturing processes (some overseas) and rely upon materials management suppliers to ship their products. This has allowed them to be competitive on a global basis with competitors that were previously unknown to them. Risky? You bet it is, but essential to the times we now live in.

Steel suppliers have had to adapt as well. At Paragon Steel, we have refined our model to include a vast array of processing capabilities, just in time resources and fabrication capabilities to build projects to specific customer specifications. The failure to adapt to the changing times is risky. But for those who are able to adapt, the rewards can be great.

---

## Quote of the Month

---

*“There are risks and costs to a program of action. But, they are far less than the long range risks and costs of comfortable inaction.”*

*-John F. Kennedy*



## Big League Dreams

Now that Major League Baseball is in full swing, we thought the timing was right to highlight a job Paragon has recently participated in. Located in Gilbert, Ariz., a fast-growing suburb of Phoenix, the project is called Big League Dreams and features replicas of eight of the famous ballparks in baseball history. Paragon provided steel and fabrication for famed Yankee Stadium, Fenway Park, Polo Grounds and Ebbets Field. There is a similar project located in Chino, Calif. For more on the project, visit [www.eastvalleytribune.com/story/88663](http://www.eastvalleytribune.com/story/88663).