

BUSINESS PROFILE

PARAGON STEEL

FORGING A MODEL OF EXCELLENCE

WRITTEN BY TIM WILCOX

The two business partners are seated in the conference room of their tastefully appointed offices on the top floor of the Kilroy Airport Plaza building. Doug Carpenter, president of Paragon Steel, and Jim Stavis, vice president of the firm, appear calm and confident even though the stock market has just shed 778 points—one of the most precipitous freefalls in the history of the Dow Jones Industrial Average. A pretense? No. They are, in fact, calm and confident.

"Jim and I have been at this for a long time now," Carpenter says, referring to the company he founded with Stavis 20 years ago. "We've had quite a ride, with lots of peaks and valleys. But even in this especially challenging economic climate, we feel stronger than ever." Strong as steel, you might say.

Their strength is rooted in a vision foreshadowed by a 1988 "exploring the possibilities" lunch. Carpenter had been a steel salesman for about

10 years. Stavis, who owned an automotive-products enterprise, was one of his best customers. They enjoyed mutual respect and an unmistakable synergy. And so they decided to launch Paragon Steel.

"It's a successful professional marriage with complementary personalities, skills and experience," Stavis says. "I like to say that a company always needs to be reaching for the stars, which is Doug's role, but also rooted in the ground, which is mine. Having that balance is crucial."

Carpenter nods in agreement: "We brought different business perspectives to Paragon Steel from the beginning. Jim has a formal education, from UCLA, while I started work right out of high school. Jim's 'higher college education' and my 'street education' gave us a dramatic spark in developing this company from scratch."

Carpenter notes that the steel business in the 1980s was "heavily

distributor-driven rather than customer focused.” The types of products as well as delivery channels and schedules were determined by the steel manufacturers themselves, with little or no regard for actual customer needs. It was a commodities culture of indifference and arrogance.

“Our goal from the beginning was to change that culture—at least as far as Paragon Steel is concerned,” he says. “We realized we could actually build a successful business on being flexible and making customer service our number one priority.”

It was an authentically pioneering vision that evolved into a standard-setting example for the entire industry. Other companies took notice and began to emulate Paragon. How appropriate! After all, the name means “a model of excellence.”

“We’re able to do things for our customers that our competitors simply can’t do,” Stavis says.

For instance, the company can cut, fabricate and paint a specified steel, aluminum or stainless-steel product on short notice and deliver it to a job site. That’s because Paragon has its own fabrication plant in Placentia, staffed by 25 highly skilled employees. There’s also a processing/warehouse facility in the City of Commerce. Overall company management, sales and purchasing are handled at Paragon’s Long Beach headquarters.

“We’re a relatively small company, which is good for our customers and good for us,” says Carpenter. “We’re flexible and efficient in meeting their needs, and we’re nimble when confronted with market changes.”

Both partners are big-time Long Beach enthusiasts, viewing the city as an ideal home-base for their enterprise. Paragon imports much of its steel from countries such as Korea, China, Brazil, Argentina, Germany, Belgium and Russia. According to Carpenter, “Being so close to world-class ports is an enormous advantage for us.” He adds that Paragon’s export business is steadily expanding, making the Long Beach and Los Angeles-area based facilities even more valuable.

“Personally, my family and I love Long Beach and all the wonderful activities it offers,” Carpenter says. Sailing to Catalina is a favorite pastime.

Stavis, who’s also a family man, agrees. He’s an avid golfer, bicyclist and writer. The last pursuit reflects an intensely thoughtful nature amplified by the rare experience of being a triple-transplant survivor: heart, kidney and pancreas—all at Cedars-Sinai in L.A.

Stavis considers it a “medical miracle”—one, he says, that’s “given me a unique perspective on life.” In the professional realm, this value-every-moment outlook has clearly enriched his productive partnership with Doug Carpenter and their ongoing commitment to forging a model of excellence. ■