



Canrack's storage solution features arms that are adjustable in 3-inch increments for easy placement or tool-less removal.

# MAKING MOVES

One manufacturer gets organized with technology that makes material storage and selection a breeze

BY LYNN STANLEY

“Sometimes a fishing trip to Lake Erie is all you need to get a fresh perspective,” muses Charlie Mack, general manager for Macksteel Warehouse Inc. “We were growing fast and required a more efficient method for storing metal. Time on the water gave me an opportunity to think about what was working and what needed to change.” Ultimately that led Mack to Toronto-based Canrack Storage Systems Inc.

Planted in the ranching grasslands of Watertown, South Dakota, the family-owned Macksteel has served the Dakotas and Minnesota for over 40 years as a full-line metals

The racking system allows stock pickers to select individual items from Macksteel's considerable inventory.





Racks are designed and custom-engineered from brake-formed steel to give Macksteel storage flexibility and capacity.

distributor and fabricator. Surrounded by agricultural, forestry and mining activity, the region demands metals.

Canrack supports North American steel service centers as a custom builder of sheet and bar storage systems, material handling, order selection, material processing and packaging equipment.

“We were a manual warehouse that was very dependent on floor space for our raw material and finished goods inventory,” says Mack. “We considered adding another building but that meant higher utilities, property taxes and more maintenance. Jason [Clark, president] at Canrack had a lot of good ideas. After researching our options, we felt investing in a storage rack system was a better deal than securing more square footage.”

### Creative spaces

In 2006, Macksteel installed a Canrack adjustable cantilever rack storage system with 270 pans, each capable of holding 10,000 pounds of material ranging from 12 to 32 feet long. Designed to Macksteel’s specifications, racks are constructed of formed steel with tapered columns engineered to support 100 percent loading on one side without leaning. Arms are adjustable at 3-inch increments for easy placement or tool-less removal.

“When you go from using floor space to a rack system and narrow-aisle trucks, it’s a

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**CHARLIE MACK, GENERAL MANAGER**

big change,” says Clark. “You have to adjust your mindset. It’s no longer the third pile from the left. You have to learn how to find things and how to put things away properly.

“Investing in racking that is 20 feet tall also means you have to consider other things like different lighting in order to see down the length of the aisle,” Clark continues. “That’s why we take a systems approach with each customer. We ask a lot of questions and look at the big picture. We help the customer navigate the different choices to ensure they pick pieces that best suit their requirements.”

The racking system built for Macksteel allowed the service center to consolidate 20,000 square feet of inventory into 2,100 square feet. “We reduced our floor space requirement by 89 percent,” says Mack. “Previously we had to stack product on top of product, then move items by crane to reach what we needed off the bottom. With the racking system, our inventory is individually se-

lectable. Whether we need something from level 2 or level 14, we don’t have to move anything else to get to it.”

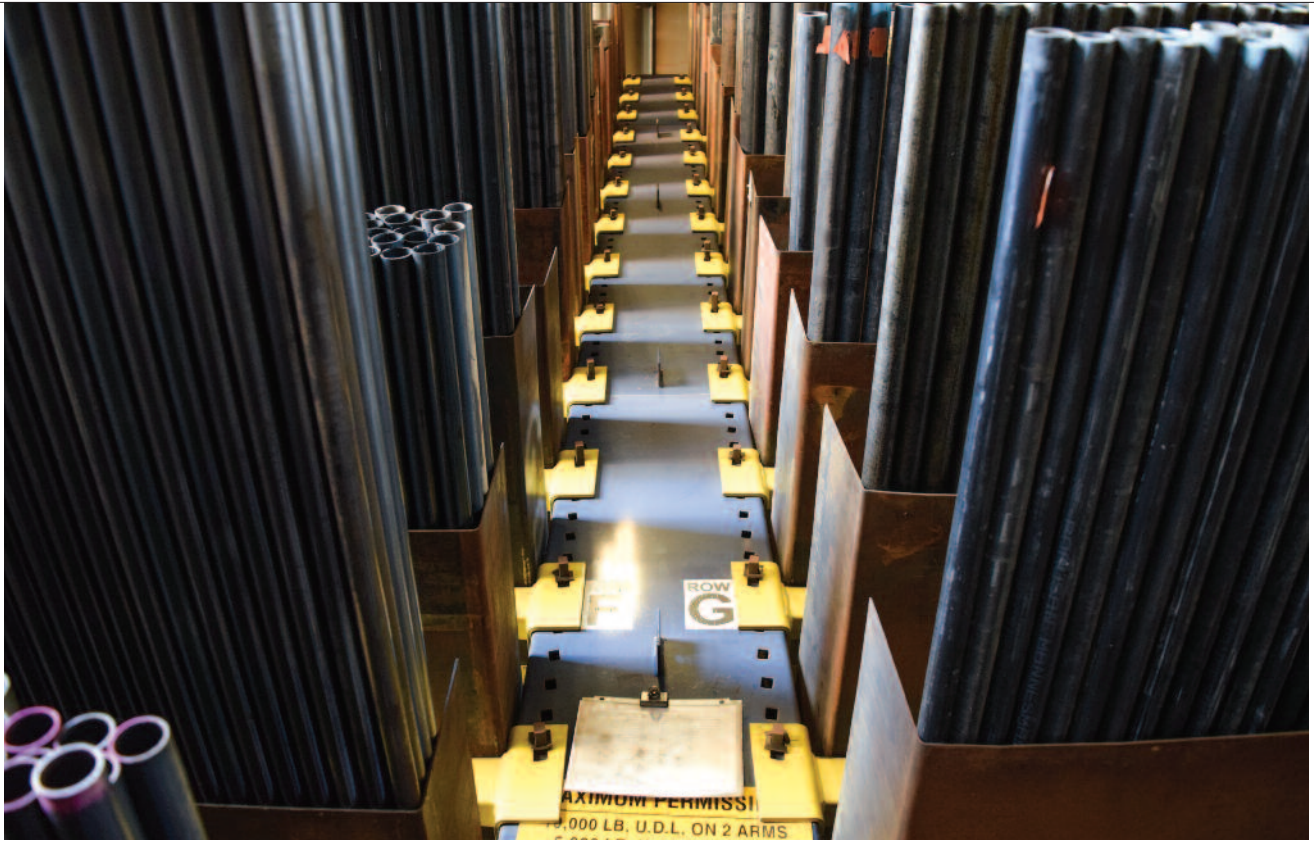
### Unintended benefits

The cantilever rack system has also proved a boon to the manufacturing side of Macksteel, which produces a variety of products that include portable buildings, gates, feeding systems and pneumatic grain handling components.

Despite serving a broad range of industrial accounts, the service center never lost sight of its humble beginnings—the small retail order. Fulfilling as many as 300 retail transactions a day, many are walk-in customers placing orders for items that cost \$3 or \$30. And like Canrack, Macksteel makes it a practice to listen.

“Because we have a constant stream of customers that come through the door, we’re able to spot trends,” explains Mack. “If we see five different people asking for the same feedbunk in the space of a week, we know that’s an item we want to make sure to keep in stock. By the same token, if a cus-





customer complains about the quality of a product made by an OEM customer of ours, we can use that information to build a stronger relationship with both the customer and the manufacturer by working with them on ways to improve the product.”

The approach has helped Macksteel build a strong business foundation. “You don’t need to pay an outside consultant,” he continues. “Just listen to your customers. That’s all the information we have ever needed.”

In 2015, Macksteel added a smaller racking system with 50 4-inch-tall openings to handle its sheet and plate remnants. The service center stocks a wide range of alloys and needed to improve the way it stored its drops. “Drops” are sections of raw material from which parts have already been cut but which can be used again to produce more parts.

“We generate a lot of remnants,” notes Mack. “People travel 300 miles to do business with us. Using remnants gives us the flexibility to cut a one-off or just a few pieces at a great price while still maintaining a good margin.”

### Material selection

“Instead of an operator digging through a pile of pieces, a worker simply pulls the

### Going vertical allows Macksteel to free up considerable space without requiring a building addition.

remnant he or she needs when they need it,” he continues. “This is where the Canrack system really shines because it supports customization, lower piece part runs, and just-in-time production.

“It used to take a skilled individual considerable time to pick the best remnant for the job,” he explains. For the sake of saving time, “more often the operator would grab the one on the top rather than dig around for the best choice. The Canrack system shows you all the options, so choosing the most efficient remnant occurs more often since it is quick and easy.”

Increasing order rates continue to push Macksteel to do more with less to remain competitive. The service center is collaborating with Canrack to triple the size of its cantilever racking system to free up 20,000 square feet of floor space to expand its laser cutting capacity and add new powder coating operations. Macksteel is also considering bar order filling stations to automate order selection from the new storage system.

“If you have 10,000 pounds of 1-inch tube and a customer just wants 20 pieces,

you have to either pull it by hand or with a crane,” says Clark. “There’s nothing worse than having a sideloader on the floor, idling, while someone pulls an order. Our system allows operators to pull orders hands-free and crane-free. Macksteel is unique because of all the value-added fabrication services they provide. This gives them another way to recapture lost time.”

“Growth can creep up on you,” Mack agrees, “[and] you find yourself packing things a little tighter. I’m excited about reclaiming square footage for processing while tripling our storage space.”

Mack says he enjoys turning raw material “into unusual shapes and fabrications for customers. Our business model responds quickly to good ideas, creating immediate positive effects. It’s also satisfying to work alongside a company like Canrack. Many suppliers make racks, but Canrack offers so much more than just racks. They treat us like a partner.” ■

**Canrack Storage Systems Inc.**, Toronto, 905/564-6250, [www.canrack.com](http://www.canrack.com).

**Macksteel Warehouse Inc.**, Watertown, South Dakota, 605/882-2177, [www.macksteel.com](http://www.macksteel.com).