A STORY OF ENTREPRENEURIAL VISION & INNOVATION

DR. ULRICH FRISSE, LL.M.

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FOUNDER'S MESSAGE

Forty-five years ago, after graduating from the University of Detroit, I started my career in mechanical engineering but soon realized my true passion lay in business. It was this entrepreneurial vision forty years ago that would become the Wendt Corporation of today. I am thankful to have had the time and opportunity to be able to record the developmental years of the company and the many stories included in this book. We have attempted to capture the timeline of Wendt Corporation through the good times of exponential periods of growth and also through the challenging times.

It was difficult to compile four decades of history encompassing hundreds of dedicated employees both present and past, as well as many loyal customers and suppliers. The task of sorting through over 12,000 photographs to provide the 600 included in this book was a true pleasure for me and a wonderful walk down memory lane. It allowed me to revisit the memories of my relationships with many employees and customers, as well as recall the extensive travel, thousands of jobs we have done and equipment we have manufactured and installed all over the world.

Through the years we have had countless successful projects and installations, many innovative and unique equipment inventions and also some less than successful projects which did not perform exactly as we had envisioned. However, in the end through the dedication and loyalty of the entire Wendt team, we always resolve the issues learning from our mistakes and thereby making Wendt Corporation a stronger and better organization. It is for this reason Wendt Corporation maintains its worldwide industry reputation for excellence, something each one of us should be very proud of.

It has been an amazing lifelong journey of learning and growth for me personally and for Wendt Corporation.

It has been a privilege to have been a part of these first four decades and to have watched the company and its employees grow and mature into the world class organization Wendt Corporation has become. As a father it is a true blessing having the opportunity for the last twenty years to work with my son, Tom Wendt Jr., and watch him learn and grow. I am confident he and his management team will continue this growth and prosper the business into the future.

I am grateful for the patience and understanding of my family. My wife Doreen and children, Tom and Katherine, endured my long hours at work and the many weekends and holidays away from home. Without their support, Wendt Corporation would never have been possible.

I would like to acknowledge and thank everyone who has helped and contributed to the creation of this legacy book documenting the history of Wendt Corporation's first forty years. Lastly, without the thousands of people surrounding the business there would be no business, and it is those who truly make up Wendt Corporation.

Thomas A. Wendt
Founder & Chairman
Wendt Corporation

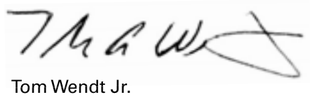
PRESIDENT'S MESSAGE

I loved the idea of creating this book to capture many of the stories, events, and experiences from our history that have led to the Wendt Corporation of today. As you read it, you can see the emphasis on family business culture and the many people who take great pride in being part of it. As the business celebrates its 40th Anniversary, it seemed like the perfect time to tell our story.

For over a year, I've watched my father spend countless hours poring through decades' worth of files to find the facts, figures, and images that are in this book. The people who know him are aware that my father is a stickler for details; he's very organized and saves everything. Because of these traits, the book is an accurate reflection of him and his story of how Wendt Corporation began. I am proud of my father and have immense respect and appreciation for the hard work and sacrifices he made to start a business from nothing. The combination of his ambition, unique skill set and entrepreneurial drive made it all possible. I am grateful to have this book to reference when telling his story to my children and hopefully grandchildren someday. It's his example that I try to follow.

I am honored and privileged to have the responsibility of leading the company into the future. Having the benefit of learning from our past is essential in guiding us forward. My father's legacy of integrity, hard work, innovation, dedication, and a problem-solving approach to creating value for our customers has been and always will be our company's mission.

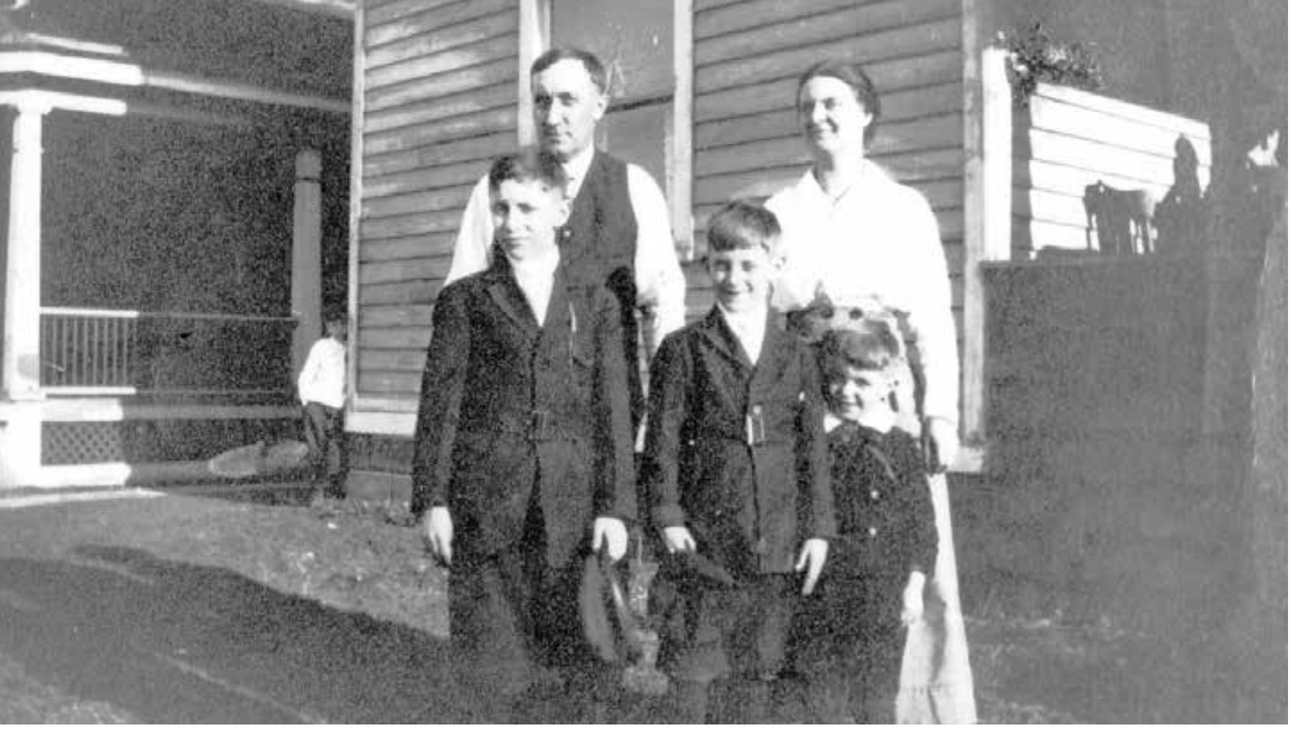
In closing, I am truly grateful to have had so many opportunities to learn and grow within our family business. I want to thank my parents and my family for their support. I also want to thank the many dedicated employees that helped lay the foundation which we can continue to build upon and grow. Someday, I hope my children will carry on the tradition of family entrepreneurship and I'll have the pleasure of telling the story of Wendt Corporation's next 40 years!



Tom Wendt Jr.
President
Wendt Corporation

CHAPTER ONE

Foundations



William and Dorothea Wendt and their children in 1917.

COMING TO THE U.S.

Ancestors of Thomas Wendt, the founder and current Chairman of Wendt Corporation, arrived in the Buffalo area in Western New York in 1843. The Wendt's came from a rural area between Berlin and Eberswalde in North Eastern Germany, in what was then the state of Prussia. They left their native land as part of a larger wave of people migrating from the German-speaking territories that in 1871 would form the country of Germany.

Maria Wendt, born in 1787 in Prussia, was the widow of Johann Christian Wendt. She and their four children, Christian Martin, Wilhelm, Friedrich and Luise Wendt, arrived in the U.S. together with the other members of their local Lutheran congregation. Although religious motivations were less significant as push factors for immigration in the 19th century than in earlier periods, some Old Lutherans from Prussia felt compelled by the unification of their church with the Reformed Church in the 1830s to emigrate. The group including the Wendt's decided to leave as a congregation rather than compromise their beliefs.

Shortly after arriving, the congregation founded its own settlement, Martinsville, in what is today part of North Tonawanda, New York. For generations, the Wendt's lived and worked as farmers in the Martinsville area. The Old Lutherans who settled in Martinsville and two neighboring communities were among the most conservative German Lutherans and maintained German as the primary language of church services well into the 20th century.

THE WENDT FAMILY

William Ernst Wendt, the grandfather of Thomas Wendt, was born in Martinsville, New York in 1878. Unlike his forefathers who worked in agriculture, he was a machinist at Buffalo Forge and later in his career became a stationary engineer at American District Steam in North Tonawanda. In that role, he was responsible for operating the factory's boiler room. William Ernst and his wife Dorothea had three sons: Elmer, Robert (Rob) and Thomas Wendt's father, Wilfred Allan (Will), who was born in 1914. In the 1930s, Will became a welder by trade while also working at American District Steam in North Tonawanda. His brother Elmer followed in their father's footsteps working as a stationary engineer while their brother Rob studied engineering at the University of Buffalo and went on to be an engineer entrepreneur and business man. It was Rob who would ultimately inspire his nephew Thomas during the founding of Wendt Corporation in 1977.

During the Second World War, Will Wendt served in the Coast Guard as a machinist mate in the ship's boiler room and traveled the world. When the war ended, he remained on the troop transport that brought back soldiers deployed in the planned invasion of Japan. Will continued to travel back and forth between Asia and San Francisco until 1946. Shortly after returning, he married his high school sweetheart, Alberta Henrietta Ludwig, in June 1947.

Alberta's ancestors had also immigrated to the U.S. from North Eastern Germany, from an area called Mecklenburg. Will and Alberta settled in North Tonawanda and started a family. Their children Karen Ann, Thomas Allan, and Ellen Dorothy were born in 1947, 1949 and 1953 respectively.

Top image: Thomas Wendt as a young boy together with his mother Alberta, his grandfather William and his father's older brother Elmer.

Middle image: Robert H. (Rob) Wendt in the 1950's.

Bottom image: Will Wendt while serving in the Coast Guard during the Second World War.

Top image: Alberta and Will Wendt with their children Thomas Allan, Ellen Dorothy and Karen Ann – 1965.

Bottom image: D&J Downstroke paper baler fabricated by Twin City Steel – 1949.

TWIN CITY STEEL CONSTRUCTION

Being located in what is commonly referred to as the "Rust Belt" of the U.S., the Buffalo area has a long history as a center of steel production and manufacturing. In January 1947, local entrepreneur Frank J. Dotterweich founded Twin City Steel Construction as one of many manufacturing enterprises launched in the immediate post-war period. In December of that same year, Edward J. (Ed) Stec and Will Wendt bought out the founder for $1,800 and, on February 26, 1948, incorporated the company as equal partners.

Operating from 512 River Road in North Tonawanda, New York, Twin City Steel was a weld shop that did contract welding for different companies and smaller custom-manufacturing jobs for customers in the area. Most importantly in the context of the story of Wendt Corporation, Twin City Steel was the welder of choice for D&J Press Company Inc., which would subsequently become incorporated into Wendt Corporation in 1981.

D&J PRESS COMPANY INC.

In 1949, after selling Twin City Steel to Ed Stec and Will Wendt, Frank Dotterweich, together with Steve Jackson, founded D&J Press Company Inc. (D&J) in Buffalo. As a specialized manufacturer of baling presses for the scrap paper and metal processing industry, D&J was ideally located in the heart of the "Rust Belt" with easy access to the steel towns of Buffalo, Pittsburgh, Cleveland and Detroit.

In 1952, Will and Ed sold Twin City Steel to D&J and Twin City Steel became incorporated into the larger D&J organization. As part of this move,

Will and Ed became minority shareholders in D&J. Following multiple stock sales, buy-outs and resulting ownership changes, by the early 1970s, D&J was jointly owned by the Carnes family (51 percent), Ed Stec (24.5 percent) and Will Wendt (24.5 percent).

In spite of being part owners, Will and Ed were not involved in the management of D&J. Will was happiest in the shop in his role as Foreman, Plant Superintendent and later Vice President of Manufacturing and Ed remained a Welder and Field Service Installation Supervisor. Craig Smith, Thomas Wendt's best friend and a former D&J employee who would later become the first employee of Wendt Corporation, remembers working under Will's supervision at D&J: "He was a quiet person but you knew he was thinking all the while. You wanted to keep busy when Will was there and make sure you were doing something productive. When Will spoke, you listened because it was usually important. You wanted to pay close attention because he knew what he was talking about, and he was always right on."

Now on its third move and headquartered at 605 Main Street in North Tonawanda, D&J was a classic manufacturing business, an integrated shop that made everything in-house, including the hydraulics for the presses. The plant was equipped with a World War II-era heavy duty crane (nicknamed "The Wrecker") and a variety of machines typical of a machine shop, including lathes, drill presses and a boring mill. It also had an electrical room that was used for

Background image: The D&J Press Company facility at 605 Main Street with two signs made by Craig Smith.

Insert image: D&J "The Wrecker".

Top image: Original D&J Model 15 Baler – 1955.

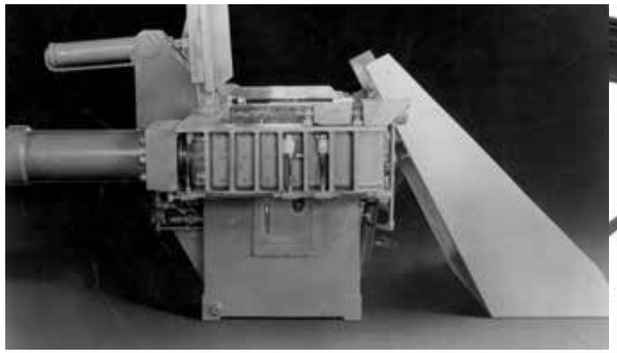
Middle image: D&J Model 15 production – three in stock – circa 1966.

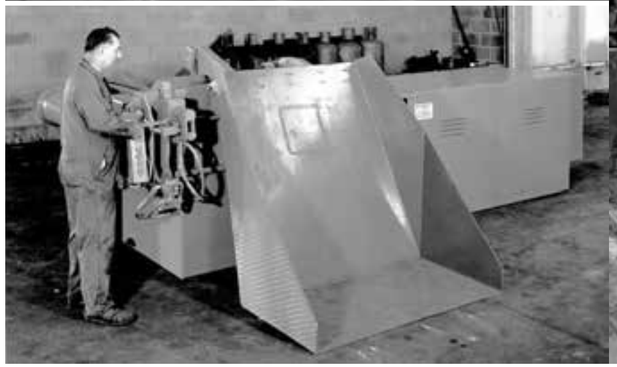
Bottom image: D&J employee Joe Wagner with the next generation of Model 15's in the late 1960s. Joe later came to work for D&J Wendt as a Service Technician.

wiring the control panels for the D&J presses. "Some of the machinery was ancient, like the forklift and the tow motor, held together with band aids, chewing gum and rubber bands," Craig Smith reflects with a smile. Both Thomas Wendt, who virtually grew up in the factory his father co-owned, and Craig remember the plant as being cold with no heat, a leaky roof and puddles on the floor that would freeze in winter.

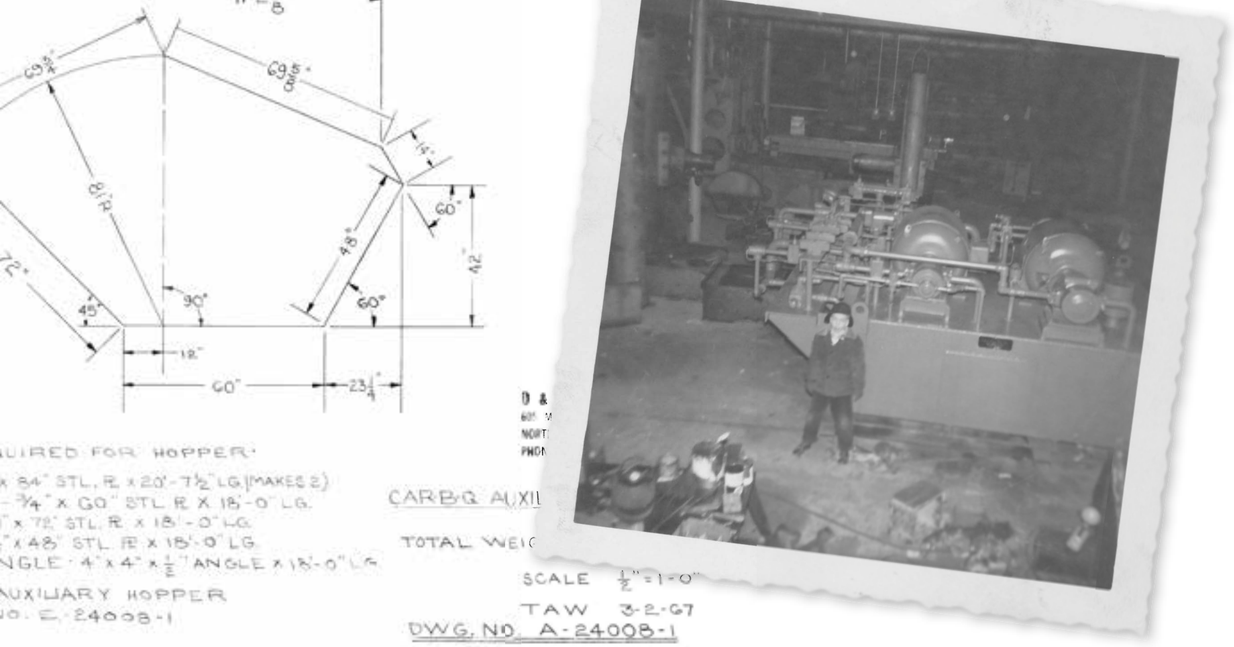
When D&J had started back in 1949, one of its first products had been a chain-driven, non-hydraulic paper baling press. From there, the company went on to manufacture hydraulic presses for the scrap metal recycling industry to bale both ferrous and non-ferrous metals. D&J's non-ferrous metal baler, the Model 15, became known in the industry as the shoebox baler because it made bales the size of a shoebox. Model 15s were popular among scrap dealers and manufacturers that baled their own scrap metal in-house. They were famous for their durability and hundreds of the machines remain in service. Wendt Corporation continues to manufacture the Model 15 to this day.

D&J's claim to fame in the industry was its Model 675, a ferrous baler called the "Big Squeeze." The "Big Squeeze" press was designed for scrap yards that needed to bale ferrous scrap, from automobiles to corrugated siding from building demolition. Launched in 1955, the "Big Squeeze" could bale an entire automobile into the size of a bale of hay in 90 seconds. Although there was other custom equipment on the market that had similar capability, at $150,000 the D&J "Big Squeeze" was much less expensive than its competition, giving it an edge in the market. The "Big Squeeze" became popular among scrap processors because the bales it produced had the density required by the steel mills that melted them down to make new steel.





D&J Model 675 "Big Squeeze" in operation – 1950's.



Background image: March 1967 drawing by Thomas Wendt while still in high school.

Framed image: Thomas Wendt in the mid-1950's standing in front of a D&J Press Model 675 "Big Squeeze" hydraulic power unit.

Over the years, D&J manufactured a total of 403 balers, most of them under the "Big Squeeze" name which eventually became the brand name of D&J's entire product line. Wendt Corporation continues to use the "Big Squeeze" trademark to this day.

THOMAS WENDT JOINS THE SCRAP METAL RECYCLING EQUIPMENT INDUSTRY

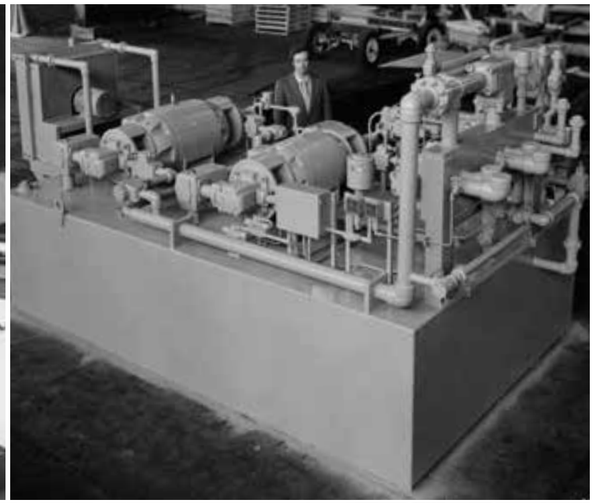
With his father being one of the owners, Thomas Wendt spent a lot of time at D&J while growing up. Together with childhood friend Craig Smith, he regularly rode his bicycle to the plant to see his Dad. "I basically grew up at the business," he remembers. The few vacations the family took together were usually arranged to coincide with the location of a D&J press installation Will was doing. On occasion, when Will was gone for extended periods of time, the family would visit him at the site of the installation.

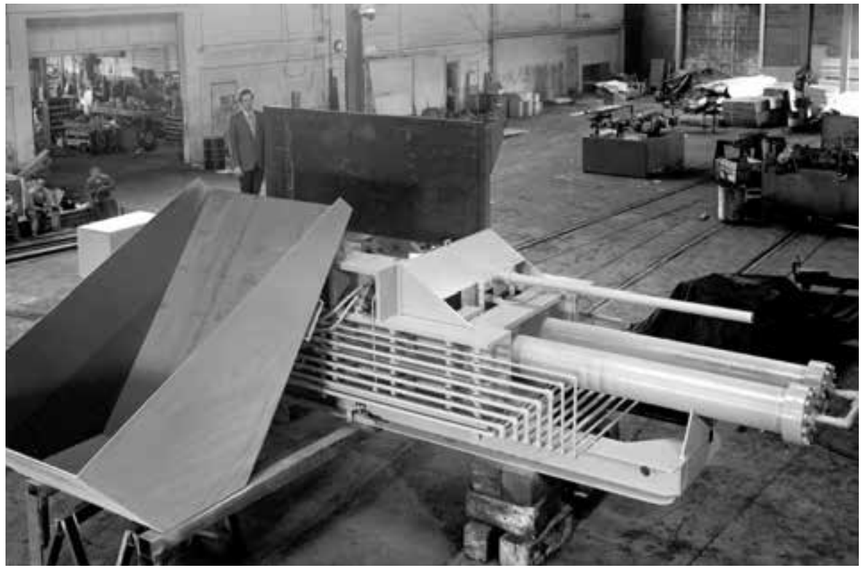
On November 15, 1966, Thomas was hired by D&J as a part-time helper at a wage of $1.60/hour. From then on, he worked most Saturdays, holidays and summers throughout high school and college (1966 to April 1972). On days when the plant was closed, Will would open up the facility and tend to his own tasks while Thomas did the jobs assigned to him by his Dad.

Will made sure that his son learned the plant from the bottom up. "I would always get the worst jobs because—and this was my father's thinking—he didn't want anybody to say that he was favoring me," Thomas reflects. His Dad taught Thomas a strong work ethic and many principles that he embraces to this day. One of Thomas's many jobs while working at D&J during high school was wiring panels for the electrical control boxes. It was a skill that would come in handy when he started his own company in 1977.

From early on, while growing up and during high school, Thomas wanted to be an engineer. With that goal in mind, after graduating from North Tonawanda High School in June 1967, he entered the two-year pre-engineering program at Niagara University in Niagara Falls (September 1967 to May 1969). The program suited his interests with its emphasis on math, calculus, physics and chemistry, as well as mechanical drawing. From Niagara University, in May 1969 he transferred directly to the University of Detroit from where, in May 1972, he graduated with a B.S.M.E. (Bachelor of Science in Mechanical Engineering).

D&J Model 640 Baler at R&R Salvage in Buffalo, NY – mid-1960's.

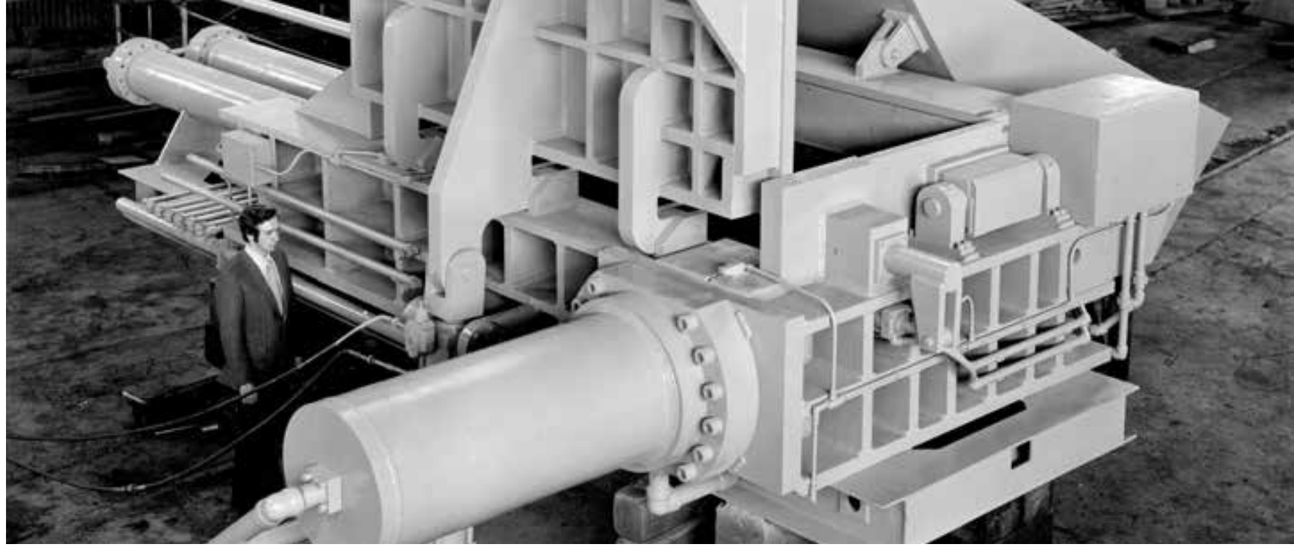




Top left image: Thomas Wendt when he started at D&J full-time pictured together with D&J draftsman Don Fronczak – Summer of 1972.

Top right image: D&J Model 112 - 1973.

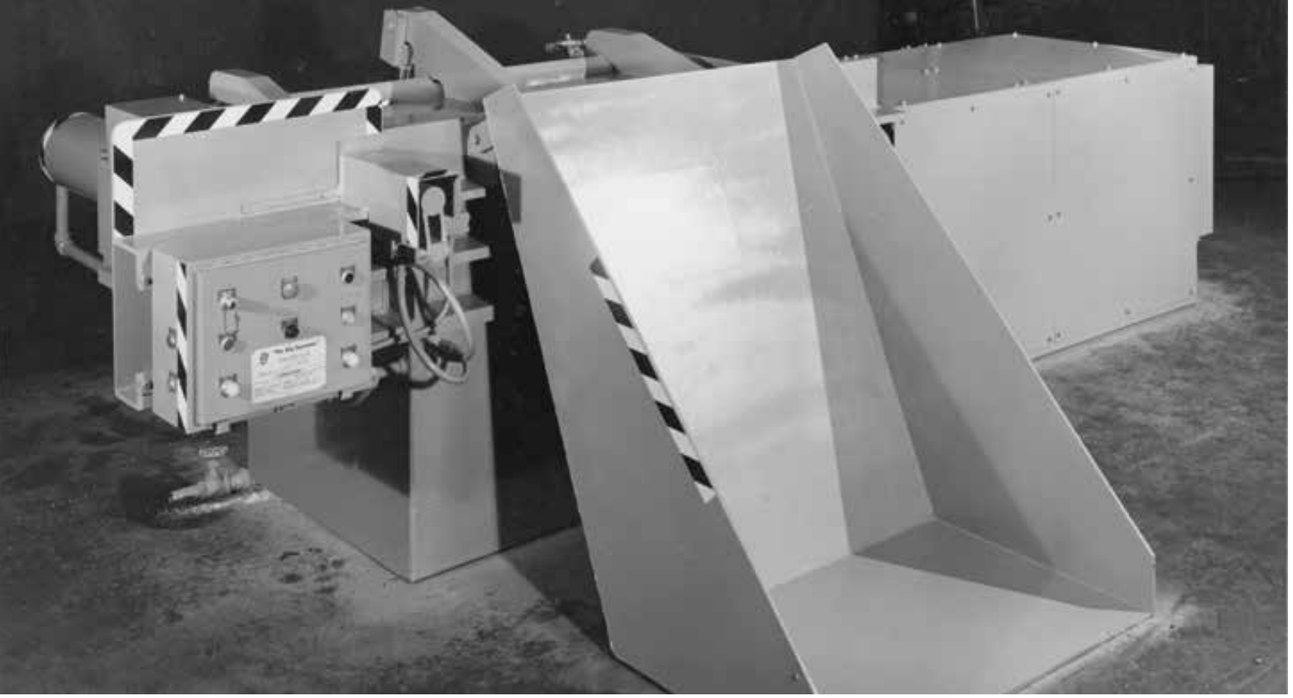
Bottom image: D&J Model 112 - 1973.



D&J Model 112 - 1973.

Although the overall goal of being an engineer had been clear to Thomas from the days of his youth, the choice of which type of engineer changed a few times throughout Thomas's educational journey. During high school, he had wanted to be an aeronautical engineer. This was a direction inspired by his uncle Rob who had studied aeronautical engineering and, in the late 1930s, founded his own company, Wendt Aircraft Corporation. However, by the time Thomas went to the University of Detroit, he had his mind set on becoming an electrical engineer and enrolled in the electrical engineering program. Looking back, he attributes this change of mind to a lack of opportunity locally for going into a highly specialized aeronautical program. Furthermore, electrical engineering was a natural choice because Thomas had done lots of electrical control work while working part-time at D&J. Early into the program, however, Thomas switched to mechanical engineering. "I took a computer class on an IBM 360. We would punch program cards for hours and hours on this huge typewriter-type punching machine. Even the tape drives on the IBM 360 were all mechanical. It dawned on me that computers are very mechanical. I thought computers were the future so I switched to mechanical engineering," Thomas reflects with a laugh.

The engineering program at the University of Detroit was a co-op program that required students to spend alternating full semesters in co-op placements. The co-op requirement was what had drawn Thomas to the University of Detroit in the first place because it was the only way he could pay for college. Over the course of three years, he completed multiple co-op placements at Chevrolet Tonawanda (known today as GM Powertrain). It was a great experience that gave Thomas access to the General Motors Institute, a highly-organized program that moved co-op students through various departments during multiple placements with the company. One semester he worked in purchasing, the next semester on the production floor, a third in the engine test lab and during his final year in engineering. "They moved me around and I learned a lot," Thomas reflects. "I also realized I didn't want to work for a big company, which is probably the most important thing I learned there." GM in



Final generation of the D&J Model 15 designed by Thomas Wendt – 1976.

those days was set up like the military with very strict hierarchies which went against Thomas's natural understanding of how a company should be run. Without knowing it at the time, his co-op experience at Chevrolet Tonawanda would become a building block in the gradual evolution of his philosophy as an entrepreneur.

Upon graduation in 1972, Thomas received four job offers, including one from GM Chevrolet. At an annual salary of $12,900, GM's offer was at the high end of what young engineers could earn in those days. Thomas turned them all down except for one—the one he had received from the company where he had gained his first experience in the scrap metal recycling equipment industry—D&J Press. On April 25, 1972, he started at D&J as the Project Engineer at a salary of $10,500. Thomas started in the engineering department designing the electrical control circuits and panels. From there, he moved into hydraulic circuit design and machine design before eventually managing engineering, purchasing, and on-site equipment installation services in his subsequent role as Product Manager.

In October 1971, during his final year of college, Thomas proposed to his girlfriend Doreen Marie DiMatteo. The couple had been dating for more than three years, since Doreen was a high school senior. Shortly after Thomas started full-time at D&J, they were married on August 5, 1972. After their wedding, Doreen finished her college education and graduated as an elementary school teacher. She went on to teach for the next 29 years. Their son Thomas Allan Wendt Jr. (Tom Jr.), who today serves as President of Wendt Corporation, was born three years later, on October 17, 1975.

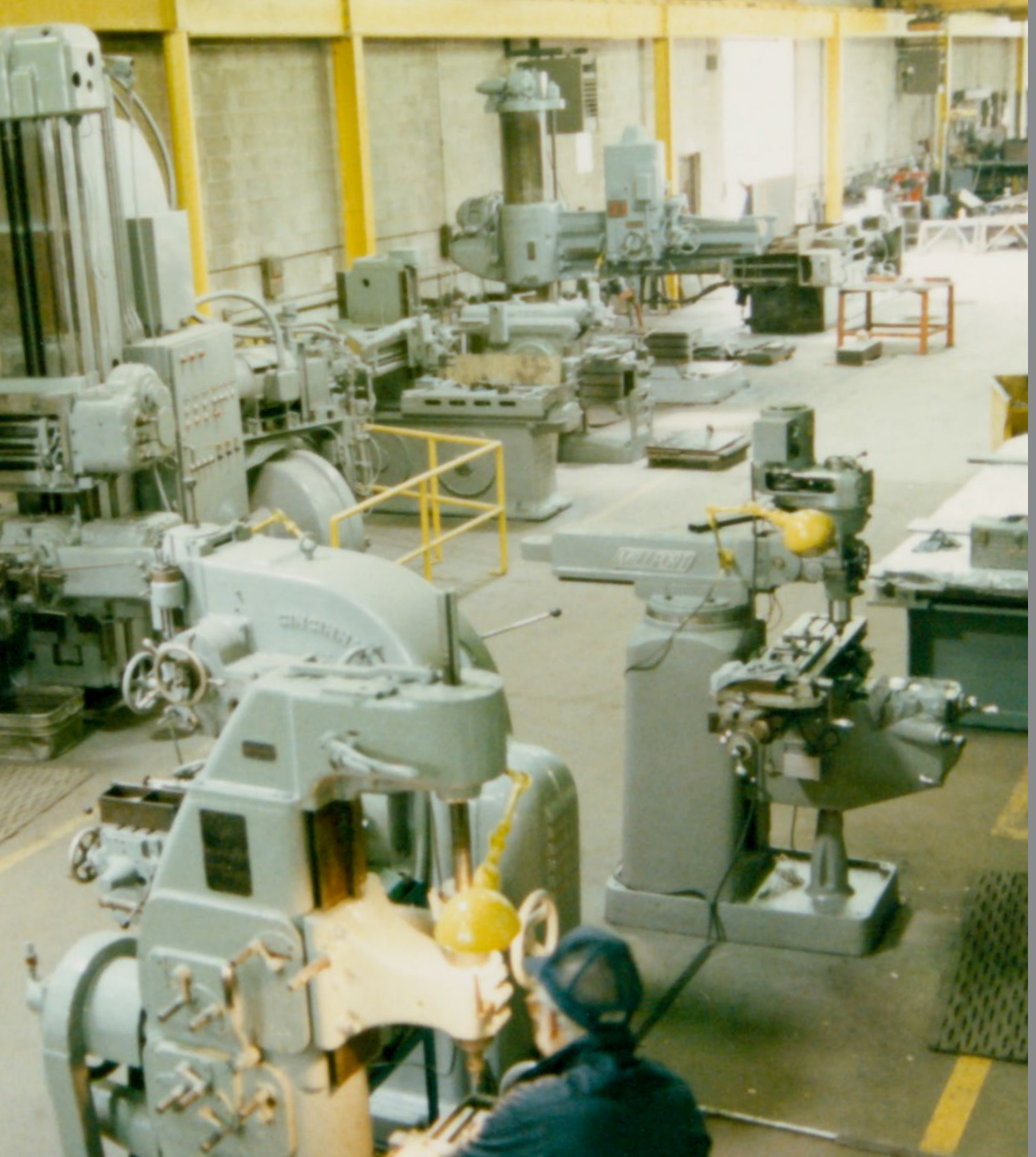
LEAVING D&J AND JOINING COLUMBUS MCKINNON

Thomas stayed at D&J for four and a half years, until December 1976. During his time with the company, he saw D&J grow from approximately 25 employees when he joined part-time in 1966 to a workforce of about 50 and a maximum annual sales volume of $1.5 million in 1975.

The decision to leave the company he had virtually grown up in was a difficult one. Although he learned a lot as a young engineer at D&J, Thomas remembers it being a difficult company to work for. Having an independent mind and a vision forming of how a company should be run, he did not agree with D&J's approach to sales, cost control, and operating the service department. Furthermore, in 1976, when D&J was faced with a bad market, Thomas had to take a pay cut only months after his son Tom Jr. was born and the Wendts had built a house, creating a real financial challenge for the young family. Finally, in October of that same year, Thomas's mother passed away after a long battle with cancer. When D&J sent him on a service call to Alabama only two days after laying his mother to rest, he decided it was time to move on. He updated his resumé at the Mobile airport in Alabama and resigned from D&J in December 1976.

Of the various job opportunities available to him after leaving D&J, Thomas accepted an offer from Columbus McKinnon Corporation in Tonawanda, New York. On January 3, 1977, he joined the company as Project Engineer in the Product Development and Engineering Department. A global market leader, Columbus McKinnon specializes in the design and manufacturing of material handling systems for commercial and industrial applications, namely: hoists, chains, and lifting and rigging tools. What drew Thomas to Columbus McKinnon was the fact that it had a standalone Research and Development Center with about 50 engineers whose exclusive role was engineering in a building separate from manufacturing. The Product Development and Engineering Group Thomas worked in was responsible for designing and manufacturing prototypes. It had a small machine shop for mocking up prototypes and used Columbus McKinnon's larger test facility for extended testing of its innovations. "There was no travel, and, most attractively, we invented products. It was a group of engineers together in a room either improving a product or inventing new products. Pure textbook engineering, calculations, testing and prototyping, all the things we didn't do at D&J. That's what appealed to me at Columbus McKinnon," Thomas remembers. He would stay with Columbus McKinnon as an employee until August of 1979 and subsequently as an independent consultant until May 1980.

Thomas Wendt instructing a class while at Columbus McKinnon – 1977.



CHAPTER TWO

Vision, Founding and Foundations of Wendt Corporation

DOING INTERNATIONAL DESIGNS IN METRIC

In addition to its main plant in Tonawanda, Columbus McKinnon had plants in St. Catherine's, Ontario, Canada, as well as operations in England and Australia. As Project Engineer, Thomas was involved in the international design work for the company's non-U.S. operations that worked in metric. Thomas would either be part of the original design or take an existing design and convert it to metric, not only dimensionally, but also with regards to the specifications for materials and machining. Thomas was assigned the international design work because he was fluent in the metric system. "My mind works in both systems," he notes. Thomas enjoyed working on many designs and patents while putting in long hours. "Often, I was the last one there at the end of the day. They'd ask me to leave so they could shut off the lights. They were good to me and I was very productive at Columbus McKinnon."

A CALL FROM THE PAST – BILL YOUNG SINGLEHANDEDLY PUTS WENDT INTO BUSINESS

In March 1977, only months after Thomas had started at Columbus McKinnon, he was sitting across from the Vice President of Engineering in the latter's office when the phone rang. The VP picked up and then handed the phone to Thomas. "It's for you," he said. "They said it was important." The unexpected call was from Bill Young of USARCO (United Steel and Refining Company) in Hamilton, Ontario, Canada, a former customer during Thomas's time at D&J. Thomas asked Bill what was wrong to which Bill replied, "The stupid machine isn't working." Thomas took Bill's number and told him that he would call him back, hung up and apologized to the VP.

When Thomas called Bill back that evening, he told him that he could not help with his D&J Model 720 Baler because he no longer worked at D&J. A decorated World War II fighter pilot and a real character with a strong personality, Bill would not take no for an answer. "Now that I found you, you're not going to hide from me," he said with determination. Thomas reinforced that he was the wrong person and advised Bill to call D&J to have them help him with the machine, but Bill was adamant about wanting Thomas to solve the problem.

That same evening, Thomas did some troubleshooting over the phone. In walking Bill through the process, he gave him a list of things to check to get the machine going again.

Bill Young, Chief Engineer of USARCO Ltd. in Hamilton, Ontario, in 1986.

The next day Bill called Thomas at Columbus McKinnon again, telling him that after following Thomas's advice the machine still did not work properly. "We can't fix the foolish thing. You come up here and fix it for us," he insisted. Thomas explained that he had a full-time job that made it impossible for him to drive up to Hamilton. Still not taking no for an answer, Bill suggested that Thomas inspect the machine over the weekend: "Come up Saturday morning, tell us what's wrong and I'll give you two new Yankee 100 dollar bills."

On Saturday morning that week Thomas drove to Hamilton, inspected the machine, and identified the problem as to why it was not ejecting the bales. "I told him exactly what was wrong, how to take it apart and what parts he needed. I then received my money, had lunch with Bill, and headed home. I was thrilled with my $200 'bonus'," Thomas remembers.

To Thomas's surprise, the next Monday morning his phone rang at Columbus McKinnon and it was Bill again. "Bill, you have to stop calling me," Thomas insisted. Ignoring Thomas, Bill asked where to get the hydromotor seal kit that Thomas had told him he needed for repairing the machine. Thomas knew exactly where to buy those seals. The two men agreed that Thomas would purchase the kit and then meet at the border where Bill would buy the seals from him. During his lunch break, Thomas called the supplier of the seals. To his surprise, the supplier refused to sell them to him at the price Thomas remembered they charged to D&J, stating that Thomas did not have an account and that he wasn't an original equipment manufacturer (OEM). As was typical at the time, the supplier charged different prices for the same part to end users, OEMs and dealers.

Thomas succeeded in talking the supplier into giving him the OEM price and the next day during his lunch break went to the bank. Unbeknownst to his wife, Thomas nearly emptied out their savings to buy the seals. He then picked up the parts and that same evening met Bill at the border where he sold him the seals at a profit. "I now had made some money. That gave me a taste. Starting my own business wasn't my idea—it was Bill Young's idea. I had walked away from the scrap processing equipment industry, I had had enough. But I liked making the extra money, it had come in handy. Bill singlehandedly put me in business, just by pestering me," Thomas reflects on a series of phone calls and a personal friendship that would change his life forever.

WENDT MANUFACTURING CORPORATION IS BORN

After his experience helping Bill Young, Thomas was determined to start his own business. "Buying OEM parts with cash wasn't going to do it, so I decided to form a company," he reflects. For the next two and a half years, until August 1979, Thomas continued to work at Columbus McKinnon full-time while building his own business and serving his customers in the evenings and on weekends, working out of the basement of the family home. It was during this very busy time that Thomas built the family's second home and they moved in prior to the birth of their daughter, Katherine Anne, on November 1, 1978. Thirty-two years later Katherine would graduate from medical school and become a Doctor specializing in the field of Anesthesiology.

When Thomas told his father that he was planning to start his own business, Will Wendt's response was brief and to the point: "You're

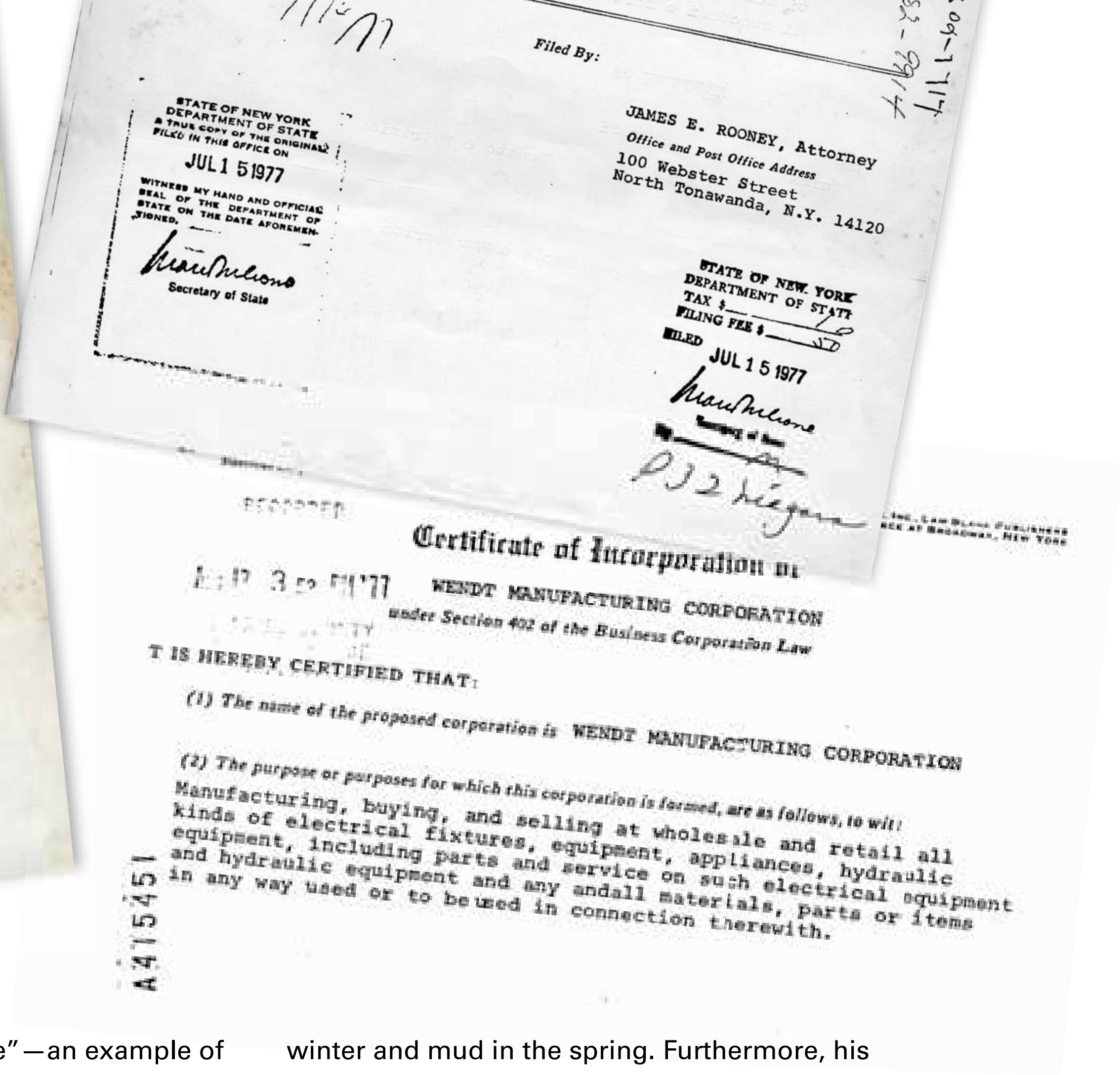

Wendt Engineering Company Inc.

June 17, 1977

Dear Mr. Levy:

Sincerely,

1177 Nash Road/North Tonawanda, New York 14120/716-692-5672


Filed By:

STATE OF NEW YORK
DEPARTMENT OF STATE
A TRUE COPY OF THE ORIGINAL
FILED IN THIS OFFICE ON
JUL 1 5 1977
WITNESS MY HAND AND OFFICIAL
SEAL OF THE DEPARTMENT OF
STATE ON THE DATE AFOREMEN-
TIONED.

Secretary of State

JAMES E. ROONEY, Attorney
Office and Post Office Address
100 Webster Street
North Tonawanda, N.Y. 14120

STATE OF NEW YORK
DEPARTMENT OF STATE
TAX $
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JUL 1 5 1977

Certificate of Incorporation of
WENDT MANUFACTURING CORPORATION
under Section 402 of the Business Corporation Law

T IS HEREBY CERTIFIED THAT:

(1) The name of the proposed corporation is WENDT MANUFACTURING CORPORATION

(2) The purpose or purposes for which this corporation is formed, are as follows, to wit:
Manufacturing, buying, and selling at wholesale and retail all kinds of electrical fixtures, equipment, appliances, hydraulic equipment, including parts and service on such electrical equipment and hydraulic equipment and any andall materials, parts or items in any way used or to be used in connection therewith.

A415451

Left image: The first company letter to Frank Levy, owner of USARCO Ltd. in Hamilton, Ontario, in June 1977 prior to incorporating as Wendt Manufacturing Corporation in July of 1977.

Right image: Certificate of Incorporation under the name of Wendt Manufacturing Corporation.

asking for nothing but trouble"—an example of his typical one-liners. "It wasn't until sometime later that my father understood my desire to start my own business and fully supported the move," Thomas reflects. Thomas's wife Doreen and her parents, Flora and Gino DiMatteo, on the other hand, were very supportive of the idea right from the beginning.

In June 1977, while getting serious about incorporating his business, Thomas wrote a list of possible company names. He considered a wide range of names including Wendt Machine Company Inc., Thomas Wendt Inc., Wendt Industries, Wendt Technologies, Wendt Control Corp., as well as Wendt Engineering Company. Originally, Thomas wanted his company to be an engineering company. He had no intention of getting back into the scrap processing equipment business which he associated, from his years at D&J, with lots of travel and being in scrap yards in sub-zero temperatures in the winter and mud in the spring. Furthermore, his Dad was still at D&J and Thomas did not want to compete with the company his father co-owned. His desire to build an engineering consulting business that would sell engineering services found expression in the fact that when Thomas first filed for incorporation in June 1977, the original application was for a company named Wendt Engineering Company Incorporated.

Shortly thereafter, on July 15, 1977, however, the company was incorporated under a different name: Wendt Manufacturing Corporation. In changing the name from "Company" to "Corporation," Thomas was once again inspired by his uncle Rob whose company was called Wendt Aircraft Corporation. "Corporation" sounded more impressive than "Company"—a notion that would feed Thomas's approach to presenting his company as larger than it actually was during the early years. Switching from "Engineering" to "Manufacturing" was a deliberate expression of the changed intention to take the business on a path towards becoming a manufacturer: "After visiting the USARCO plant in Hamilton several times, I saw the direction. It was in manufacturing. I named it Wendt Manufacturing Corporation because I had every intention of being a manufacturer. To this day, what we like to do is manufacture machines," Thomas explains his early vision.

It was more than symbolic that $200 of the total incorporation cost of $225 came from the "two new Yankee 100 dollar bills" Thomas had received from Bill Young, the man who through his unwillingness to take no for an answer had set him on the course of becoming an entrepreneur.

SERVING EARLY CUSTOMERS OUT OF THE GARAGE AND BASEMENT OF THE FAMILY HOME (1977-1979)

Thomas set up shop in the basement of the family home on Nash Road in North Tonawanda. The garage and basement served as both production space and office until Wendt moved into its first standalone company location in the summer of 1979. Early jobs illustrate the focus of Wendt on supplying parts, servicing machines and providing consulting services, as expressed on Thomas's original business card which described the scope of the company as "Engineering, Sales & Service of Hydraulic Power and Electrical Control Equipment."

One of Wendt's early jobs that lasted from 1977 until 1979 was the assembly and wiring of press control panels for Larry Steele of Steele Electric in Niagara Falls. Larry Steele supplied the parts which Thomas and his part-time helper and first



Top and middle image: Electrical control panel that Thomas Wendt assembled and wired in the garage of his family home on Fairmont Avenue.

Bottom image: The first manufactured product of Wendt Manufacturing Corporation—an oil filtration unit built in Thomas' garage on Fairmont Avenue and installed at Cedardale Scrap, Oshawa, Ontario.

employee, Craig Smith, assembled and wired in the evenings and over the weekends. Unable to paint the panels at home, Thomas took them to a car body shop and brought them back to the house for assembly after they were painted. "It was a lot of up and down the stairs," Craig Smith remembers. Wendt continued to wire panels until the company's move into its first real location at 76 Industrial Drive in North Tonawanda in 1979.

In August 1978, upon recommendation by Bill Young, Thomas received a call for service and spare parts from Neil Brown of Cedardale Scrap in Oshawa, Ontario, Canada for a D&J Model 720 baler. The fact that many of Wendt's customers from early on were located in Canada is a reflection of the short distance between Buffalo and the "Golden Horseshoe", Ontario's manufacturing center. Close proximity to the Hamilton and Toronto areas with their many industries and steel manufacturing businesses made Canada an extension of the domestic market for Wendt right from the beginning.

THE FIRST MANUFACTURED PRODUCT—FILTRATION UNITS FOR D&J PRESSES

Although it would take until 1987 for Wendt to become a manufacturer of larger equipment for the scrap metal recycling industry, the vision for being a manufacturer expressed itself in the early days already. The first piece of equipment Wendt designed and manufactured was a standalone filtration unit for D&J presses that sold for around $5,000. Built in the garage of the Wendt family's second home on Fairmont Avenue in North Tonawanda, these units marked a significant improvement over the oil filtration management equipment the original D&J machines were equipped with. Wendt marketed and sold many of these orange-painted units to D&J customers that it was servicing already. For the first sale late in 1978, Thomas loaded the unit into his pickup truck, drove it to Cedardale Scrap in Oshawa, Ontario, Canada, and installed it on the customer's D&J Model 720 baler.

BUILDING A BRAND AND A PROFESSIONAL COMPANY

Right from the founding of the company, Wendt had all the parts it built and sold painted in bright "safety" orange. It was Thomas's way of making sure that anything his company had touched was easily recognizable in a scrap yard as serviced by Wendt. When Wendt started rebuilding machines, these were painted orange as well. Even though he did not apply the term at the time, Thomas had begun branding the company to distinguish it from D&J whose machines were grey, and other competitors whose machines were green or blue.

The second key trademark of the Wendt name was expressed through Thomas's personal appearance. As a matter of principle, Thomas always visited scrap yards in a suit and tie, presenting Wendt Corporation as both a professional and a classic engineering firm.

THE FIRST COMPANY BUILDING AT 76 INDUSTRIAL DRIVE IN NORTH TONAWANDA

In October 1978, after being in business for a year and a half, Thomas bought a 1.25-acre piece of land at 76 Industrial Drive in North Tonawanda. Investing into a property was a huge step towards turning the company, which he was still operating part-time, into a successful, full-time venture.

Top left image: The foundations have been poured during this early stage of building the Industrial Drive plant – (Phase I).

Top right image: Doreen, Tom Jr. and Katherine Wendt visting the construction site during the building construction of the Industrial Drive plant.

Bottom image: The shop and office after the completion of Phase II in 1981.

Inside view of the Industrial Drive plant.

The heavily wooded lot required Thomas, with Craig Smith's help, to clear the land first. He bought a chainsaw, cut down the trees and ended up with firewood for the next 10 years. Clearing the land to get it ready for building was a true family affair that further involved Thomas's father-in-law, Gino DiMatteo, who played a key role in Wendt's move into its first standalone facility. Thomas reflects: "My father-in-law, a residential contractor, was the one who found the land for sale on Industrial Drive and encouraged me to build a 'shop' to work from rather than continuing to use my home's basement and garage. After that, he was instrumental in assisting with the construction of the original Phase I plant."

The first building phase consisted of a 4,800-square-foot fabrication shop with a single five-ton overhead crane and was completed in the summer of 1979. 2,500 square feet of offices were added during the second phase of construction in the summer of 1981.

MEETING RALPH PINKERT AND SERVICING SCRAP CORPORATION OF AMERICA

In October 1979, Thomas visited Scrap Corporation of America (SCA), a Chicago-based scrap metal processing business owned by the Pinkert family. It marked the beginning of a professional relationship and personal friendship with Ralph Pinkert that continues to this day. That month, Columbus McKinnon had sent Thomas to a machine tool trade show in Chicago. Thomas had intentionally booked his return flight so that he had enough time after the show to take a cab to the Courtland Avenue scrap yard, a smaller city yard right in Chicago that was owned and operated by SCA. The purpose of the side trip

Left and right image: D&J Model 410 baler installed at SCA's Courtland Avenue yard in Chicago.

was to look at the D&J Model 410 baler which he had designed during his time at D&J, but had never seen built and installed.

At the yard, Thomas introduced himself to Ralph, who was Yard Manager at the time, and asked whether he could see the baler in operation. SCA had only recently purchased the yard and Ralph was in the process of setting it up for SCA's purposes. SCA did not use a D&J press at any of its other locations so Ralph was very interested in learning Thomas's opinion about how the machine was performing. When Thomas went back to the office to thank Ralph for letting him see the baler, Ralph asked him what he thought of the way it was set up and how it ran. "I told him what I thought—which was that the machine was a disaster," Thomas remembers. "After that I left and flew back to Buffalo."

The next day, Ralph called Thomas and wanted to know what was wrong with the machine. "I told him there was so much wrong with it that I could not tell him on the phone." Ralph and Thomas agreed that Thomas would come back to Chicago, spend several days analyzing the baler and produce a detailed report with suggestions on improvements. It took Thomas a month to write the 19-page report. After reviewing Thomas's suggestions, Ralph said, "OK, let's do it all." Over the next several months, Thomas traveled back and forth between Buffalo and Chicago and made the changes he had suggested. Ralph reflects: "Thomas inspected the machine and gave me the inspection report which indicated a lot of work was required. When he was done with the changes, all of his projections in terms of quality and improved production speed were right on. He exceeded what he claimed his work would do."

Thomas and Ralph Pinkert would go on to develop a close relationship that included multiple joint business trips to Europe and a business partnership for the braking (cropping) of railway rail in the late 1980s.

70 BELOW—THE COLDEST SERVICE CALL IN THE HISTORY OF WENDT

In the early 1980s, SCA undertook a reorganization of the family business. As part of that process, Ralph Pinkert, who had left the company, came back to manage the Courtland Avenue yard again. When assessing the yard, he noticed that there were multiple problems with the D&J Model 410 baler that Thomas had upgraded back in 1979. In addition to the machine not performing well, most of the spare parts SCA had kept for the baler had been used and never been replaced by the previous yard managers. Ralph remembers: "There was a real production problem with the machine. I called Thomas and he came to Chicago to assess the situation and together with him and his team, we ended up doing a complete rebuild of the baler, restoring it to proper operation."

Because of production needs, the repairs had to be done very quickly. Ralph elaborates: "Because the machine was in such bad shape, we had to do it as soon as possible and schedule the job for a time when we had fewer expectations of incoming materials. We decided it had to be done over the holidays."

Among other things, one of the mounts for the door cylinders had broken. It turned out that the cylinder could be reused, but the mount had to be rewelded. To protect the mechanics from the biting cold during the repair, Wendt and SCA had tents and heaters set up, but some of the welding had to be done outside during what Thomas and Ralph remember as one of the coldest winter nights ever. "With the wind chill factor it was 70 below with over 50 mile an hour winds. I was hanging off the side of the machine welding all night," Thomas remembers what in retrospect turned out to be one of the most physically challenging service calls he ever answered. In spite of the challenging conditions, Thomas and his team completed the job. "It was right on schedule and came in on budget," Ralph is quick to add.

The following day, after Thomas had finished the work at the Courtland Avenue yard, he and Ralph went out for dinner. On the way to the restaurant, Ralph's Mercedes broke down on the highway and the two men had to wait in the cold for AAA to get it going again. Then, to really prove how cold it was, when they finally arrived, the restaurant was freezing cold as well as its heating system was not set up to handle the frigid temperatures. Even the wine bottle Ralph and Thomas ordered had to be warmed before the wine could be served. "We just could not get out of the cold that day," Ralph sums up the experience.

WORKING AS A PART-TIME CONSULTANT AT COLUMBUS MCKINNON

By the summer of 1979, Wendt had become so busy that Thomas needed more time for tending to the business. Furthermore, the new building on Industrial Drive gave Thomas an actual place to work at, equipped with a desk and a telephone. Determined to make his company a success, in August 1979, Thomas handed in his resignation to Columbus McKinnon's Vice President of Engineering. When asked why he was resigning, Thomas explained

Ellman Machine Inc. div of Wendt Manufacturing Corporation – 1980.

that he had started his own company on the side and that he did not consider it fair to Columbus McKinnon or to his customers to keep dividing his attention. The Chicago project for Ralph Pinkert was one of the reasons why Thomas could no longer work for Columbus McKinnon full-time, as it required him to travel back and forth between Buffalo and Chicago. He explained to the VP that he was already taking all his sick and personal days so that he could work on building his business and keep servicing customers.

To Thomas's surprise, the VP asked him how much work he had and how much time he thought he needed for his own business. He then suggested that Thomas keep working part-time at Columbus McKinnon as a consultant while continuing to build his company. Thomas accepted the offer and for the next eight months stayed involved with Columbus McKinnon part-time, for four days at first, then three days and eventually for only two days a week. By May 1980, Thomas was so busy that even spending two days per week at Columbus McKinnon was diverting too much of his attention. "That wasn't fair to Columbus McKinnon so I thanked them and we parted ways," Thomas reflects on the end of his relationship with a company that he remembers as highly professional and very accommodating—"a wonderful place to work with very nice people."

ELLMAN MACHINE & WELDING SERVICE INC. BECOMES PART OF WENDT

Following the move to Industrial Drive, Wendt did all fabrication in-house while using a small company called Ellman Machine and Welding Service, which was located three blocks away at 923 Oliver Street, for its machining needs.

One day, while Thomas was taking work over to Ellman's, he noticed a for sale sign on the building. The company was owned by brothers Delbert and Eldred Ellman. After Eldred had passed away, Delbert, who was of retirement age himself, had decided to sell the business. Seeing an opportunity, Thomas purchased the Ellman business along with the property and the machinery in November 1979. Delbert agreed to stay on part-time for a year while the business was transferred over into the Wendt organization.

In December 1979, Will Wendt left D&J Press and, in January 1980, joined his son's company. At 65 years old, his long-time experience of running the shop at D&J made him the perfect person to take over Ellman's operations as Shop Supervisor/Superintendent.

Under Wendt ownership and with a workforce of four full-time and several part-time employees, Ellman continued to do the machining work for Wendt, as well as serving its traditional customer base with custom machining jobs. After three years, Thomas decided to shut Ellman's down and moved its equipment over to Industrial Drive so that all of Wendt's machining and fabrication would be under one roof.

THE NEW D&J PRESS COMPANY (1981)

Even though, prior to 1980, Wendt deliberately avoided soliciting D&J Press customers, D&J customers kept finding Thomas and his company. Wendt Research and Development Manager Mike Woodward, who first became involved in the late 1970s helping out with welding jobs while still in high school and in 1980 joined Wendt full-time, explains: "Customers kept pulling Thomas back in because he could understand the machinery. I watched him in the early days and saw the loyalty he received from customers because he helped them so much."

In July 1981, D&J Press went out of business after 32 years in operation. D&J had not moved with the market when scrap processors started moving from balers to shears and shredders. The company had also taken on significant debt that made it vulnerable to a hike in interest rates. Furthermore, even though Wendt purposely did not target D&J customers, it had gained market share as word of mouth spread and scrap dealers began trusting Wendt with their servicing needs. The perfect storm developed when, in the early 1980s, interest rates rose to nearly 20 percent, forcing D&J into foreclosure.

On September 17, 1981, the bank auctioned off D&J's assets. Thomas went to the auction, prepared with a list of items he intended to buy and the maximum amount he was willing to spend on each of them. Outbidding a former D&J founder and his son, Thomas purchased D&J's intellectual property for a total of $4,500. It consisted of the D&J Press name and filing cabinets filled with machine histories, drawings, parts lists, and customer files.

Artist rendering of the D&J Wendt Corporation facility after D&J was incorporated into the growing Wendt organization.

Left image: Wendt Manufacturing Corporation's announcement of the formation of the New D&J Press Company.

Right image: D&J Auction sale flyer.

Although legally the purchase of certain D&J assets had not turned Wendt into the formal successor of D&J, the D&J name was merged into the Wendt identity. Thomas explains: "The direction of the company was to present ourselves to the market as the successor of D&J." Between 1981 and 1986, Wendt promoted D&J as *The New D&J Press Company Division of Wendt Manufacturing Corporation* until the name was condensed to *D&J Wendt Corporation*.

On December 1, 1981, Wendt officially introduced *The New D&J Press Company* to former D&J customers. Thomas had modeled the name after *The New Chrysler Company*. In its announcement, Wendt emphasized that it had "incorporated the manufacturing of D&J Press Company's complete product line of hydraulic balers into our new modern production and office facilities." It further pointed out that eight of the twenty Wendt employees "comprised the core of the old D&J and cumulatively have more than 91 years of technical expertise in engineering, manufacturing, and servicing of D&J equipment." By acquiring certain assets of D&J, Wendt had become a "total manufacturing center" for building, rebuilding and servicing D&J machines. It now had the ability to serve any former D&J customer with all their needs in regards to their D&J equipment. All with a $4,500 investment!

When D&J became part of Wendt, most of the heavy-duty balers manufactured by D&J were still being used in scrap yards across North America. With over 300 units of the popular D&J Model 15AR briquetting press in operation, incorporating D&J into Wendt was a brilliant move that ensured consistent volume, as these machines would have to be serviced and upgraded over time.

BUILDING THE TEAM AND EARLY STRUCTURE OF THE COMPANY

Between the company's founding in 1977 and late 1981, when D&J's assets were acquired and incorporated into the young organization, Wendt grew to 20 people including four field service technicians. Among the employees who joined the company at this early stage are several key players who made a lasting impact over the years.

Thomas's father, Will Wendt, stayed with the company for ten years until suffering a stroke in 1990. As Shop Supervisor, Will is remembered by Wendt employees not only for his quiet nature, but also for his incredible depth of knowledge. Mike Woodward reflects: "He was one of those guys that learned how to weld when electric arc welding was invented. He knew everything about working with steel plate." Wendt Vice President of Finance Joe Bertozzi further points to Will's "dry sense of humor" and remembers him as someone who was very easy to work with.

After joining full-time in 1980, Mike Woodward quickly became a key person in the field, troubleshooting and servicing machines. He would later go on to fill a number of different roles throughout his long career at

Top image: Alex Hojnowski painting at Industrial Drive.

Middle image: Will Wendt in the machine shop at Industrial Drive—1986.

Bottom image: Mike Woodward in the mid-1980's welding at the Industrial Drive plant.

Left image:
Mike Woodward in his position as Technical Manager at Industrial Drive.

Right image:
Wendt Corporation's first Office Manager Micki Trinkwalder in 1986.

Wendt, namely Technical Manager, Product Development Manager, and Research and Development Manager. Another key hire of the early 1980s was Micki Trinkwalder, who joined the company in 1982 to look after bookkeeping and assisting Thomas in the office. She would quickly become Wendt's first Office Manager and later took on the role of HR Manager. She stayed with the company for almost thirty years before retiring in 2011.

STRONG FOUNDATIONS

By the end of 1981, the core foundations of the company were in place. The Industrial Drive plant gave Wendt the space it needed to service and rebuild machines. The developing Wendt team included some long-time key players who, together with Thomas Wendt, would shape the company in the long term. At the same time, the acquisition of the intellectual property of D&J Press had turned Wendt into a comprehensive solutions provider for D&J equipment, enabling Wendt to actively seek out the business of former D&J customers. Incorporating D&J into the Wendt organization would allow Wendt to continue building long-term relationships with many operators in the scrap processing industry. With an eye to the future, these relationships would become even more important as D&J Press customers would be among the first scrap metal processors to get into automobile shredding as the industry continued to change.

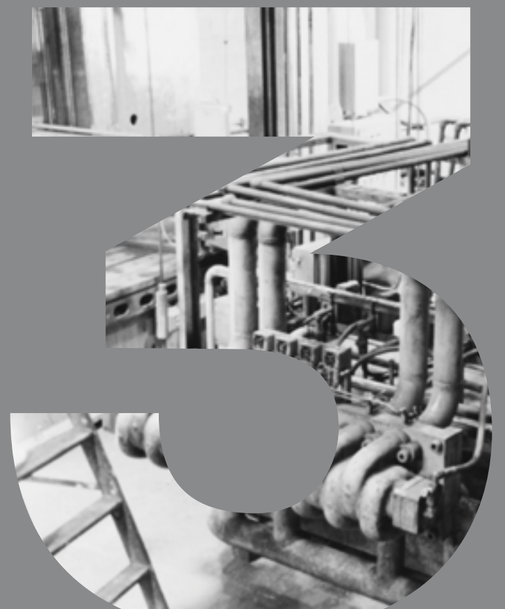
Top image
L to R: Gino DiMatteo, Thomas's father-in-law; Ed Stec, Will Wendt's original Twin City Steel partner; and Will Wendt.

Bottom left image
Having fun at the first company picnic at the Wendt family's Fairmont Avenue home in 1984.

Bottom right image:
Tom Wendt Jr. at age 9.

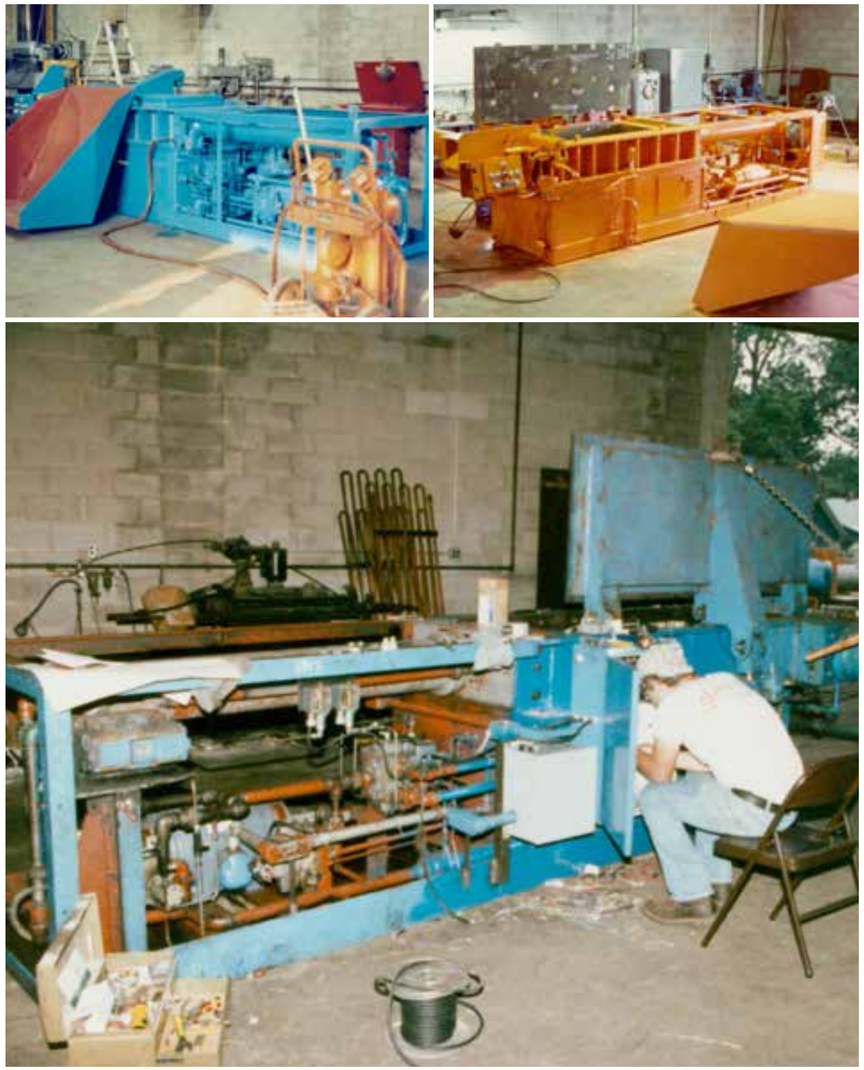
CHAPTER THREE

Quality and Safety in Remanufacturing



Top left and right image: D&J Model 15's remanufactured at Industrial Drive - 1991.

Bottom image: Craig Smith wiring a D&J Press Model 15 at Industrial Drive.



REMANUFACTURING

The 1979 move to its first standalone facility on Industrial Drive afforded Wendt the ability to take on larger projects. Purchasing, rebuilding and brokering machines quickly became a core focus area in addition to servicing machines in the field and providing spare parts to customers. From the late 1970s into the mid-1990s, when the focus of the business changed, Wendt remanufactured many machines. While most of them were D&J models, Wendt remanufactured and sold machines originally built by other manufacturers as well.

EARLY REMANUFACTURING JOBS AT THE INDUSTRIAL DRIVE PLANT

In the early years, equipment dealers who were well connected in the scrap metal processing industry played an important role in bringing business to Wendt. One of those dealers, Norm Kraemer, helped initiate Thomas' 1979 sale of a baler for Mobile Auto Crusher to Eastman Kodak in Rochester, New York for a commission.

Norm Kraemer also introduced Neil Richman of Arrow Highway Metal Salvage to Thomas. This introduction would result in the first major job on Industrial Drive. It consisted of the removal of a 1950s-built Dempster Model 600 baler at Greenville Metals in Michigan and rebuilding it in the new plant at Industrial Drive.

Neil Richman, owner of Arrow Highway Metal Salvage, one of Wendt's first customers, in 1980.

Opposite page: The last of many D&J Presses remanufactured at Industrial Drive—a Model 28 before and after remanufacturing.

Wendt rebuilt the pumps, controls, hydraulics and cylinders before installing the rebuilt machine in Irwindale, a suburb of Los Angeles, California, in March 1980.

In April 1981, Wendt brokered, rebuilt and installed a Harris TGS-320 baler for Roblin Steel in Lackawanna, New York. The sale of this machine paid for the remaining balance owed on the new building on Industrial Drive to the effect that in spite of a major investment into the company's future Wendt was debt free.

SERVICING THE INDUSTRY THROUGH MACHINE CONVERSIONS

When servicing and remanufacturing machines, Wendt's objective was to make the older equipment safer, faster, and more reliable and energy efficient. Many of the machines Wendt serviced in the field and rebuilt at its Industrial Drive location had been designed in the 1960s and 1970s and, therefore, had out-of-date technology. As technology had advanced, Wendt's ability to upgrade the equipment relied on the team's comprehensive understanding of hydraulics and electrical control circuits. Mike Woodward was instrumental in applying that special knowledge to the benefit of Wendt customers. Rebuilding older equipment required a special skill set also because there was not always a schematic available to work from that showed what changes had been made to a machine over time.

Mike Woodward remembers being on the road constantly, troubleshooting hydraulics, rebuilding and putting controls on pumps on D&J and other manufacturers' machines. Thomas had devised a special technique to control the pressure shocks on pumps by venting the control valve slowly. Mike Woodward explains: "It's a principle that has been applied to almost every piece of hydraulic equipment ever since in our industry. We took the machines' 90 second cycles and turned them into 60 second cycles. We leveraged controls to improve not just the speed, but the overall life of the machine. That was a huge deal. Because of that, there was high demand for our conversions."

A MATTER OF SAFETY AND INTEGRITY

When Wendt rebuilt a machine, it meant remanufacturing it with an emphasis on quality and safety improvements. Rebuilding D&J Model 15 balers included incorporating a safety package consisting of guards, a two-hand start mechanism to operate the machine, as well as many other safety features.

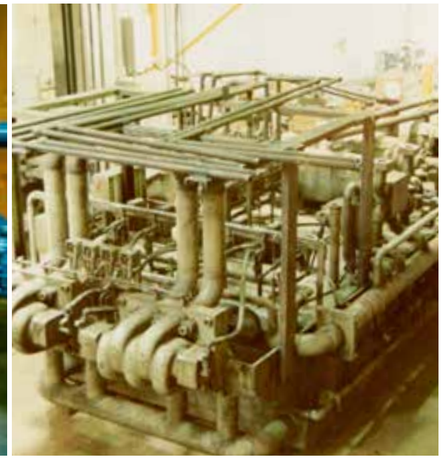
Wendt applied a principled approach to remanufacturing that was not driven by the desire to make a quick dollar but to create lasting value for customers. Thomas's vision for his company was to be known in the industry not as the cheapest provider but as the one that brought the highest-quality machines back to the market. Thomas explains: "We did many rebuilding projects over the years. I always called it remanufacturing because we did not just steam clean and paint a machine. We went through it, rebuilt the worn parts and updated the safety features. I would not paint something orange and put my name on it if there was a safer way of doing it. We sold the remanufactured machines with a new machine warranty. Of course, it made it more expensive selling against some of our competitors, but that was our philosophy. We were a legitimate manufacturer, not a used equipment dealer."

Before & after images of a remanufactured D&J Model 15.

Before & after images of a D&J Model 28 remanufactured at Industrial Drive.

THE END OF REMANUFACTURING

The significance of remanufacturing in the overall evolution of Wendt cannot be overstated. With hundreds of older D&J machines in operation across North America, buying presses, rebuilding and selling them assisted Wendt in navigating the ups and downs of the cyclical scrap market. At the same time, it helped create the necessary resources for investing into innovative ideas, developing a product portfolio and expanding the scope of the company throughout the 1980s and early 1990s. Wendt's growing expertise in remanufacturing facilitated the process of Wendt becoming a designer and manufacturer of its own original equipment. By 1994, Wendt had established itself as a manufacturer in its own right. Correspondingly, its former core activity of rebuilding D&J machines began tapering off, opening a new chapter in the history of the company.



This page and opposite page: The biggest D&J rebuild project at Industrial Drive—a D&J Model 720 purchased from a D&J customer in Brooklyn, NY, then sold to Luria Brothers and installed at Bethlehem Steel in Burns Harbor.

Opposite page insert image: Plant Manager Tom Siejka.

CHAPTER FOUR

Bringing European Technology
to North America

MOVING TOWARDS BECOMING A SINGLE SOURCE FOR RECYCLING SYSTEMS

From the early 1980s onward, Wendt pursued a dual vision: servicing and rebuilding scrap metal processing equipment; and developing a product portfolio that would allow the company to compete in all market segments envisioned by its founder. The ultimate goal was to be able to offer customers complete systems for shredding and metal separation. Thomas explains: "Throughout the 1980s and early 1990s, I was basically amassing a product line to sell while, at the same time, we were servicing and remanufacturing equipment. The agencies and distributorships we established during these years were extraordinarily important in the evolution of Wendt because before that we had a very limited product line."

BUILDING A PRODUCT PORTFOLIO THROUGH AGENCIES AND DISTRIBUTORSHIPS

Thomas's vision for his company was international right from the beginning. It was built on his understanding of the scrap metal processing industry as a global marketplace, the realization that European equipment had a technology advantage, as well as on Thomas's desire to travel and see the world. Jim Keefe, Executive VP and Group Publisher at GIE Media and a recycling industry expert, elaborates: "Thomas is highly innovative. He was one of the first people as an equipment vendor to start looking at the industry as a global marketplace. That allowed him to tap into European suppliers of high-quality machinery and market their equipment in the U.S."

While visiting scrap yards all over Europe, Thomas kept a close eye on emerging technologies he could leverage in the North American market. He quickly came to the conclusion that importing cutting-edge equipment from Europe could help Wendt establish itself as a truly innovative company. In general terms, European equipment was more efficient as a result of resource limitations and a more heavily-regulated environment: the fewer landfills in Europe are more expensive to use, access to land and electrical power is limited and fuel costs are substantially higher than in North America.

At a personal level, Thomas wanted to travel and, by his own account, being of German descent might have played a role in his eagerness to visit different parts of Europe. Growing up, he had listened to his Dad's numerous stories about the exotic places he had been to as a member of the Coast Guard, including the Fiji Islands, India, Australia, New Zealand, France, the Philippines and Hawaii. One of Thomas's many disappointments as an employee at D&J in the 1970s had been when he had applied for a passport to go to Germany on business and at the last minute the owner had made the trip instead.

Throughout the 1980s and 1990s in particular, Thomas attended many domestic and international trade shows and visited countless scrap yards while traveling on business in Europe. "I saw a lot of equipment and learned first-hand what European manufacturers and scrap processors were doing. I basically brought all that back to develop our product line and our equipment."

The timing for bringing European technology to North America could not have been better as the North American market was changing. Jim Keefe elaborates: "The U.S. market was beginning to want more and different types of scrap processing equipment." At the heart of the changing market and its demand for new and more diverse equipment and processes was the growing popularity of automobile shredders, which had been introduced to the market in the late 1960s.

A FAMILY AFFAIR

As Thomas began to travel extensively, his family made many trips to and from the Buffalo airport to drop him off or pick him up. "In those days, rather than paying for airport parking which was expensive, my father would pick me up at home, sometimes very early in the morning, and he would always arrive with a coffee and donut for me to have on the way to the airport," Thomas remembers.

Upon his return from many business trips, Thomas's wife, Doreen, along with their children Tom Jr. and Katherine, who were very young at the time, would be waiting for him at the arrival gate. "Many times, it would be very late at night and they often had to wait for hours when the flight had been delayed," Thomas notes with gratitude to his family.

WENDT BECOMES THE THYSSEN-HENSCHEL AGENT FOR NORTH AMERICA (1983–1995)

In 1982, Thomas was introduced to Thyssen-Henschel, a leading German manufacturer of heavy scrap processing equipment. Founded in 1810, Henschel has a long history as one of Germany's largest manufacturers of transportation equipment, including being one of the world's largest manufacturers of locomotives. Since its founding in 1891, Thyssen had grown into one of Germany's largest producers of iron and steel and a leading manufacturer of heavy machines and machinery. Thyssen acquired Henschel in 1976.

The connection between Wendt and Thyssen-Henschel was made through Max Fineley, a highly-connected industry consultant and equipment dealer. It was an introduction that would change Wendt forever. Max knew Thomas from doing business with him at D&J. After Thomas had founded Wendt, Max had hired him in March 1980 as a consultant to do a yard layout for a scrap metal processor in Louisville, Kentucky, who was purchasing a very large Becker shear.

From the earliest days of Wendt, Thomas had made it a priority to attend all major industry conventions including the annual conventions hosted by ISIS (Institute of Scrap Iron and Steel) and NARI (National Association of Recycling Industries). ISIS and NARI eventually merged in 1998 to form today's ISRI (Institute of Scrap Recycling Industries, Inc.). These conventions were ideal forums for networking and promoting the Wendt name in the industry.

At the January 1982 ISIS Convention in Miami, Max told Thomas that Thyssen-Henschel, who was exhibiting at the convention for the first time, was looking for a North American agent. Max introduced Thomas to Horst Koch of Henschel, who was working the Henschel booth. Henschel was a market leader for shears. Whereas shredders are best suited for processing light iron goods including automobiles, shears are used in the processing of heavy beams and other structural steel. During the conversation, Thomas learned that

Thomas Wendt during his first European trip in 1983 with Jerry Smith at Thyssen Henschel in Kassel, Germany.

Henschel had just entered the North American market by selling a 1,000 ton shear to Witte Marine Salvage in New York City. Witte had mounted the Henschel shear on a barge (the Sea Shear) and was using it to cut up salvaged ships.

In talking to Horst Koch and other Henschel representatives at the ISIS Convention, Thomas concluded that Henschel's high-quality scrap processing equipment would be a great fit for Wendt. The Henschel representatives invited Thomas to submit a corporate resumé that outlined who Wendt was, why Wendt was a good fit, what Wendt could do for Henschel and how Wendt would go about representing Henschel in the North American market.

Wendt's proposal was well received by Henschel, so much so that Thomas was invited to come to Germany to further discuss it. In June 1983, Thomas flew to Germany where he visited the Henschel facility in Kassel and met with Henschel's Sales Manager, Lothar Klüttermann. Being of German descent and a professional engineer, it was easy for Thomas to connect with the people and culture of Henschel. He left Germany with the general agreement that Wendt would become Henschel's agent in North America contingent upon Henschel visiting the Wendt facility.

In the fall of that same year, the Manager of Henschel's service department came to North Tonawanda. After touring the plant on Industrial Drive, he wanted to see Wendt's customer files and paperwork for the machines Wendt had serviced, so Thomas showed him the D&J customer files he had acquired at auction. The Henschel representative was impressed at the vast number of machines and Wendt became Henschel's agent in North America.

Thyssen-Henschel was a well-known brand in the European and Japanese scrap processing equipment markets that stood for the highest-quality equipment. Even today, Thomas cannot but praise the quality of Henschel equipment from an engineering perspective: "Henschel was as good a machine as you could build. To an engineer, it was like poetry."

Becoming a Henschel agent brought Wendt immediate recognition in the market. Since Wendt was not yet a standalone brand name, association with Thyssen-Henschel gave it derived brand recognition. Thomas explains: "We used their brand name and their market recognition to expand our brand name. That was certainly by design and it gave us a very high-end introduction to the other European companies that we subsequently worked with and represented." Being the North American agent for Thyssen-Henschel allowed Wendt to position itself as a larger player and put the company on equal footing with the largest equipment manufacturers in the U.S.

In 1984, Thomas hired his brother-in-law, Tom Siejka, to offload some of his responsibilities to someone he deeply trusted, and to help with the Henschel line in particular. That same summer, the two men traveled to Germany together and spent two weeks looking at the Henschel plant and the different machines Henschel produced, as well as visiting a number of Henschel customers. After their return, they began converting Henschel's sales proposals into "Americanized proposals", as all the paperwork had been literally translated from German into English. "We took Henschel's documentation and sales information and brought it back. We reworded it and put it in an outline form to make it look exactly like our proposals. We incorporated the Henschel warranty, but all other content of the sales proposals was ours," Thomas reflects.

Tom Siejka hard at work during a business trip to Frankfurt, Germany in 1984.

As Wendt grew throughout the 1980s, so did its Industrial Drive facility. The D&J sign was made by Craig Smith and added from the former D&J building.

Top image: Tom Jr. visiting the construction site during the building of the Phase III addition in 1984.

Middle image: A rebuilt shear is ready to ship outside the completed Phase III building addition.

Bottom image: The Industrial Drive facility after completion of the Phase III expansion.

Exhibition booth at the 1985 ISIS Convention in Miami.

WENDT BECOMES THE MOROS, MMH AND BRONNEBERG DISTRIBUTOR FOR NORTH AMERICA (1985–1995)

At the ISIS Convention in January 1985, while manning the Henschel and Wendt booths together with Henschel Director Lothar Klüttermann, Thomas was approached by Miguel Clavel, the Managing Director of Industrias Hidráulicas S.A. (Moros), a scrap processing equipment manufacturer located in Zaragoza, Spain. Miguel, who did not speak English, struck up a conversation with Thomas through an interpreter. Moros was the Henschel agent in Spain and Miguel asked whether Wendt wanted to become the Moros distributor in North America. He then invited Thomas to come visit his company in Spain.

During that same convention, Ralph Oppenheimer, whose family owned STEMCOR (Steel Marketing Corporation), one of the world's largest steel trading companies with 145 business units in 45 countries, approached Thomas as well. One of the many companies owned by the Oppenheimer family was MMH (Morrison Marshall and Hill) in London, England. MMH was a trading company that sold scrap processing machines from different manufacturers, including Moros and Henschel. As their agent in the U.K., Ralph knew about Thomas's conversation with the owner of Moros and suggested that after visiting Miguel in Spain, Thomas should come see him in London. From there, he should fly over to Holland to visit another machine building company owned by STEMCOR called MBH (Maatschappij Bronneberg Helmond b.v.), which was the Henschel and Moros agent for the Benelux countries (Belgium, Netherlands, and Luxemburg).

Thomas Wendt during his first visit to Spain.

In March of 1985, Thomas flew to Madrid, Spain, where Miguel picked him up at the airport, and together they drove to Zaragoza. After touring the Moros plant and visiting Moros customers with Miguel, the two men decided "that yes, we should work together," as Thomas remembers. From Spain, Thomas continued on to London where he spent the next couple of days meeting with Philip Keatley, the Managing Director of Morrison Marshall and Hill. From there, Thomas flew across the English Channel to Eindhoven, Holland, where he was picked up by Henk van Doorn, the Managing Director of MBH. Thomas spent the next few days touring the plant, meeting people and traveling with Henk across the country visiting customers. Thomas and Henk connected instantly and Thomas left Holland as the Bronneberg distributor in North America. Triggered by Wendt being the Henschel agent in North America, and under the orchestrating hand of Ralph Oppenheimer, Wendt had become part of a network of European manufacturers with mutual agencies and distributorships.

Top image: Miguel Claval, Marcos and Maria Jesus during Thomas' first visit to Zaragoza, Spain.

All other images: Hank van Doorn, Managing Director of MBH pictured in Helmond, Netherlands during Thomas' first visit to MBH in 1985 (bottom left), enjoying the "first catch" (herring) seaside in Amsterdam after the Helsinki, Finland BIR Convention in May 1987 (middle right), and in his office (bottom right).

MBH car flattener crushing a Citroen.

COMPLEMENTARY BY DESIGN

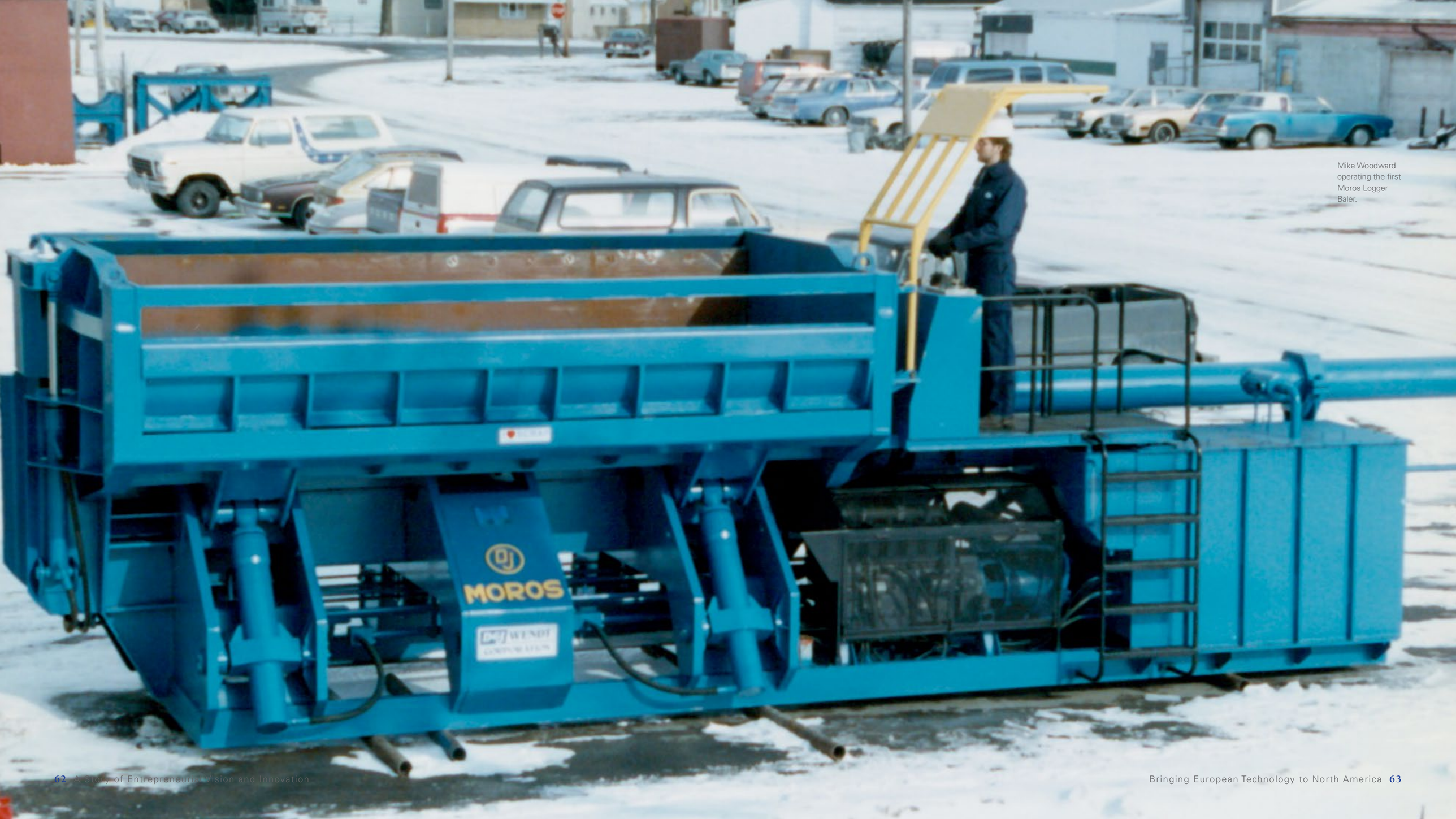
The broad product portfolio Wendt represented through its Thyssen-Henschel agency and distributorships for Moros and Bronneberg consisted of shears, auto shredders, baling presses, briquetters, crushers and railroad rail breakers. Where one manufacturer's size range ended, the other one's began: Moros manufactured shears with a cutting force up to 550 tons whereas Thyssen-Henschel's shears started at 660 tons and went all the way up to 3,300 tons, making Henschel the manufacturer of the world's largest shear.

Whereas Henschel gave Wendt access to large, expensive equipment, the motivation behind bringing Moros into the mix was to have a smaller, less-expensive product for lower-volume scrap metal processors who were highly price sensitive. For several years, Wendt bought the smaller Moros alligator shears, cable strippers and trimming shears by the sea container load and set them up in a section of the Wendt plant that was used as a showroom.

This great variety in equipment size and capacity gave Wendt the ability to meet the needs of most operators ranging from the smallest scrap dealers to the largest scrap processors. Wendt's product and technology portfolio was "complementary by design" in being aimed at addressing all its customers' processing and handling needs: "My philosophy has always been that if I see something and think it has a home and a future, we run with it," Thomas explains.

Top left and right image: Moros Alligator Shears.

Bottom image: Moros Baler sold to Neil Richman, owner of Jet Scrap in Los Angeles, CA.



Mike Woodward operating the first Moros Logger Baler.

Lothar Klüttermann, Thyssen Henschel's Director of Sales, posing with the trademark Max Zalkin cowboy hat and yardstick in front of the "Penguin Shear".

In April 1984, Wendt sold a Thyssen-Henschel Model SV-1000 Shear to Max Zalkin, the owner of Tampa Scrap. Thomas brokered the deal through RheinstahlTechnik, the scrap-trading arm of Thyssen Steel. Tampa Scrap needed the shear for processing thousands of tons of heavy structural steel beams from the Sunshine Skyway Bridge in Tampa, Florida. On May 9, 1980, the bridge had collapsed after a tragic accident when a freighter had hit one of its support piers. The project was unique in that Mr. Zalkin was a collector of all things related to penguins. In keeping with this theme, the shear had a large penguin image burned out of steel and welded onto it and thus became known as "the Penguin Shear." From a company milestone perspective, the Penguin Shear stands out as Wendt's first million dollar plus sale and one that Wendt took away from one of the largest U.S. manufacturers of scrap processing shears. As Thomas notes, the sale of the Penguin Shear proved that with Henschel's product Wendt "could compete with all the major players in the industry."

LOOKING AHEAD

By the mid-1980s, Wendt had evolved into a company that was noticed by the North American scrap metal processing industry. Its wide-ranging product portfolio of European equipment had brought Wendt closer to achieving its founder's vision for being a major premium supplier of scrap processing equipment. Incorporating Henschel product into Wendt's line-up had opened doors and helped Wendt make a name for itself. The sale of the Penguin Shear had proven Wendt's ability to sell Henschel equipment in the U.S. market. With the dollar being strong, Wendt would go on to sell a considerable amount of European equipment throughout the remainder of the 1980s and into the mid-1990s.

The "Penguin Shear." Bottom right image: "Little" Max Zalkin, Owner of Tampa Scrap Processing, with traditional cowboy hat, yardstick and cigar.

FROM INTEGRATED STEELMAKING TO ELECTRIC FURNACES—HOW CHANGES IN THE U.S. STEEL INDUSTRY IMPACTED THE SCRAP METAL PROCESSING INDUSTRY AND WHAT PROCESSORS NEEDED FROM A SCRAP PROCESSING EQUIPMENT SUPPLIER

Historically, North American steel mills made steel using the integrated steel or blast furnace production method. In applying that method, only twenty percent or less of the feed stock, that is the raw material used to produce the steel, was composed of scrap metal. With eighty percent of the feed stock being new material, a small amount of baled scrap consisting of materials of different chemistry was considered good enough to serve the needs of the steel mills at the time.

In the 1960s, Nucor Corporation, which has since grown into the largest steelmaker and scrap recycler in North America, introduced its "mini-mill" technology. In contrast to melting iron in blast furnaces, the "mini-mill" technology uses electric arc furnaces (EAF) to melt scrap steel. EAF-based steelmaking is almost the exact opposite of the integrated steelmaking process with respect to raw materials: in electric arc furnace production, eighty percent or more of the raw material used for making new steel is scrap. Correspondingly, both the quality of the scrap and managing the supply chain to ensure that there is a constant supply of scrap metal to feed the mill became substantially more important.

The "mini-mill" steelmaking process has a considerable cost advantage over integrated steelmaking, which led to more and more steel mills switching to that method of production. Today, steel production capacity in North America has shifted from integrated steelmaking to EAF-based steelmaking.

To meet the changing demands of the steel mills, the scrap metal processing industry had to adjust. To feed the mills' demand for more scrap, it needed to not only increase capacity, but also achieve higher levels of separation to produce more purified scrap. Thus, the scrap metal processing industry moved from balers to high capacity shredders. From a scrap quality perspective, the process of baling cars resulted in an inseparable mix of different materials that contained parts of car seats, glass and other non-ferrous materials. The high percentage of waste and contaminants in that mix made it unsuitable for the EAF-based steel mills. Automobile shredding, on the other hand, allowed for the development of complex downstream separation systems that would separate the shredded pieces into steel, copper, aluminum and other non-ferrous materials. Today, equipment and processes have been refined to such an extent that the auto shredder scrap that feeds the electric furnaces of steel mills consists of almost 100 percent steel.

The need for scrap processors to respond to the changed requirements of the steelmaking industry created new opportunities for specialized equipment solutions providers like Wendt. Within that changed environment, the competitive edge would be with the equipment supplier that had the technology and processes to separate out waste and other contaminants from the recycled steel used by the steel mills. Additionally, the separated non-ferrous metals would create additional revenue streams for scrap metal processors at the same time.

CHAPTER FIVE

Building the Foundations for Being a Manufacturer Serving the Scrap Metal Processing Industry

Ralph Pinkert (left image) and Skip Brown (bottom right image) from Luria Brothers during their visit to Switzerland.

Top right image: A D&J WENDT 8-inch Alligator Shear designed and manufactured at Industrial Drive – 1984 – the first standalone machine.

THE VISION FOR WENDT AS A MANUFACTURER TAKES SHAPE

During the second half of the 1980s, Thomas's vision for Wendt being an equipment manufacturer in its own right took shape. In 1986, the company's name was condensed to D&J Wendt Corporation and rebranded with a new logo Thomas and Ralph Pinkert designed on napkins over dinner in Chicago. By his own account, Thomas thought he was simply cleaning up the name but in reality he was refocusing the company as a manufacturer of its own in-house designed and manufactured products.

BUILDING THE FIRST MACHINE

In August 1987, Wendt manufactured its first machine. Building on the popularity of the D&J Model 15AR "Big Squeeze" baler, the new D&J Wendt Model 15AR - Series 500 was a completely redesigned version of D&J's non-ferrous baling press. The machine was built for and installed at McDonnell-Douglas in Toronto, Ontario, Canada. The popular Model 15AR - Series 500 had a programmable electronic controller, manifold hydraulics, as well as many other features that reflect how far technology had advanced since D&J had built the original "Big Squeeze."

CHILLING SCRAP PROCESSING EQUIPMENT FOR LURIA BROTHERS' BURNS HARBOR PROJECT

In 1987 as well, Wendt was introduced through Ralph Pinkert to Luria Brothers, one of the largest U.S. scrap metal processors, headquartered in Cleveland, Ohio. Connecting Wendt with Luria Brothers was yet another one of many instances where Ralph's trajectory in the scrap metal processing industry interconnected with the story of Wendt—and it would not be the last time either.

Following the sale of SCA by the Pinkert family, Ralph had formed two companies on his own—Scrap Management Corporation and City Center Scrap. He was in the process of selling his businesses to Luria Brothers when, during a meeting, a piece of chilling scrap that Ralph kept on his desk drew the attention of Luria Brothers representatives. Intrigued by the almost perfectly round shape of the scrap ball on Ralph's desk, the Luria Brothers representatives asked what it was. Ralph explained that it was chilling scrap from Germany and that he had received it from Thomas Wendt, the agent for Henschel equipment in North America.

Luria Brothers had the mill service contract for supplying scrap to Bethlehem Steel in Burns Harbor and was looking for a way to produce chilling scrap for that mill. Ralph reflects: "When I contacted Thomas on Luria Brothers' behalf, he said that the Thyssen-Henschel vertical grinder was well suited for the application." In October 1987, Thomas took Luria Vice President, Skip Brown, and Ralph Pinkert to Germany to see the equipment. The following year, Luria Brothers purchased a Thyssen-Henschel Model M500 vertical grinder mill for the Burns Harbor location.

Hank van Doorn, Miguel Claval and Thomas Wendt at Ralph Pinkert's City Center yard in downtown Chicago, IL in 1988.

Top image: Thyssen Henschel Model M500 Vertical Grinder Mill installed at the Luria Brothers facility at Bethlehem Steel in Burns Harbor, IN.

Middle image: Inside view of Luria's Vertical Grinder Mill.

Bottom image: "Chilling scrap" produced by the Vertical Grinder Mill.

The Burns Harbor project was significant in the evolution of Wendt. Not only did it provide Wendt the opportunity to do business with one of the largest players in the scrap metal processing industry for the very first time; it further provided a key piece of equipment for a truly unique kind of application—the production of chilling scrap.

After molten steel is made in an electric furnace, it is poured into a continuous caster. Chilling scrap is used in this process to cool the steel down to the right temperature. It is crucial to maintain the right temperature because if it is too high the molten steel is too liquid; if it is too low it can't be extruded from the caster. Chilling scrap has to be of a known chemistry to make it possible to determine exactly how much material is needed for cooling. What makes the process rather complex is the fact that a continuous caster is a vacuum caster. As a result, the operator cannot simply pour chilling scrap into the caster. Instead, the chilling scrap has to be metered in, making it imperative that it is of uniform shape and high density. To be suitable as chilling scrap, the scrap has to have a density of over 200 lbs. per cubic foot, which is significantly higher than a high-density bale (about 150 lbs. per cubic foot) or shredded scrap (about 90 lbs. per cubic foot). In meeting all these requirements, chilling scrap is a very high-grade scrap steel.

Thomas reflects on the unique capability of the Model M500 vertical grinder mill in the production of chilling scrap: "With the Henschel equipment, we used slitter scrap and processed it in the vertical grinder mill to produce chilling scrap, a process no one else had done."

D&J WENDT remanufactured Thyssen-Henschel Vertical Grinder Mill installation at the David J. Joseph Company facility in West Palm Beach, FL.

BUILDING RELATIONSHIPS—WEST PALM BEACH WASTE TO ENERGY (WTE) PROJECT

In 1989, Wendt was approached by the West Palm Beach Waste Authority in Florida. As the local authority in charge of waste disposal, it operated a Waste to Energy (WTE) plant. As was common in the industry, prior to burning the garbage, the plant separated smaller appliances and other items made out of metal and sold them to a local scrap dealer.

Representatives of the West Palm Beach Waste Authority had noticed a Wendt advertisement that promoted the Henschel vertical grinder mill. Following a presentation by Thomas, it issued a Request for Proposal for a new processing system that had the Henschel vertical grinder mill written into the specifications.

Both Luria Brothers and David J. Joseph Company were bidding for the West Palm Beach Waste Authority project and contacted Wendt. Headquartered in Cincinnati, Ohio, David J. Joseph Company was another one of the largest scrap metal processing companies in the country. Its request for quotation marked the beginning of a relationship that cannot be overstated in its significance in the evolution of Wendt into a market leader position. After quoting the Henschel grinder to both companies, Thomas traveled with David J. Joseph Company Vice President, Harold J "Skip" Rouster, and Skip Brown (Luria Brothers) on two separate trips to Germany to show them the equipment.

The West Palm Beach WTE project resulted in the November 1990 sale of a used Thyssen-Henschel M-1700 vertical grinder mill to David J. Joseph Company. Rebuilding that mill was a large project for Wendt. Even more important, with an eye to the future, the West Palm Beach project set in motion a process that would result in Wendt manufacturing its first products specifically designed for the shredding industry.

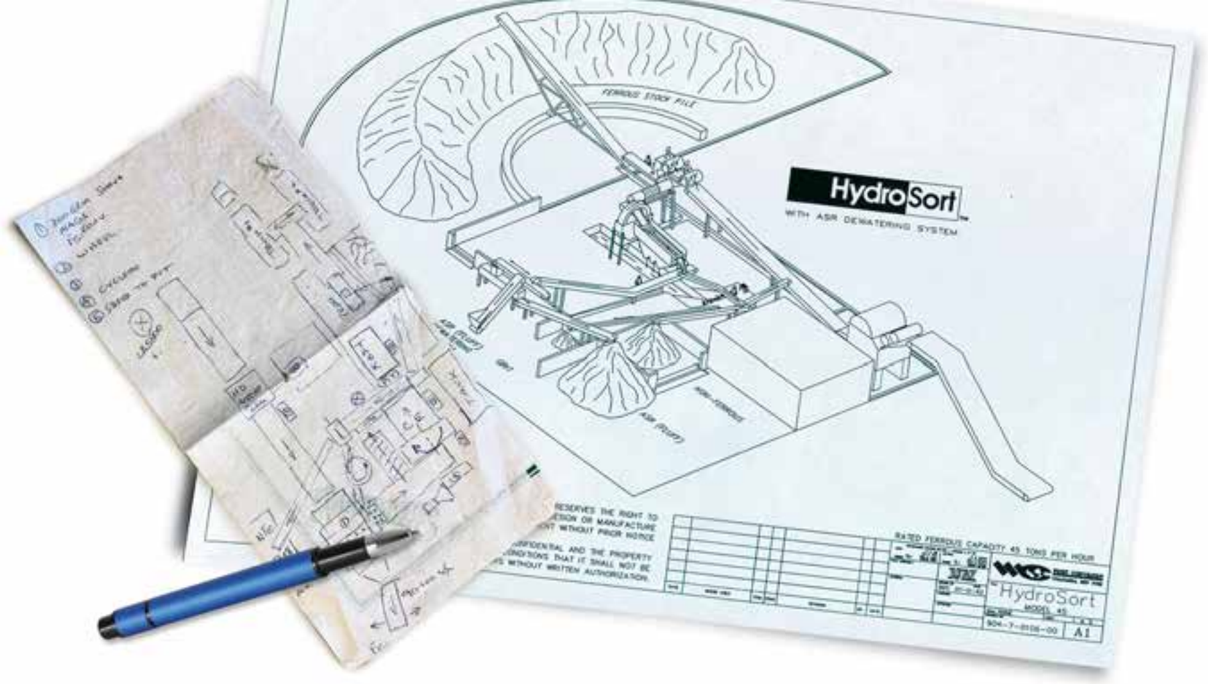
THE MODEL DP-3100 DEWATERING PRESS MARKS WENDT'S ENTRY INTO THE SHREDDING INDUSTRY AS A MANUFACTURER (1989)

As a key supplier of scrap to Nucor Corporation's electric furnace mills, David J. Joseph Company was a shredder operator that produced high volumes of scrap by shredding automobiles in its various yards. By the 1980s, keeping the dust and smoke down in the mill during the shredding process had become a concern to authorities. To prevent air pollution, the Environmental Protection Agency (EPA) required shredder operators to have air quality permits and mandated them to vacuum the fumes out of the shredder mills. Shredder operators began using large cyclones for dedusting. The main challenge arising from this process was that when the cyclones sucked the fumes out of the mills, this could result in the cyclones exploding. Explosions inside the shredder were a regular occurrence resulting from sparks igniting the gasoline or oil residue in the automobiles that were being shredded.

In search of a better process, shredder operators started experimenting with injecting water into the shredder to control the dust and to reduce explosions. David J. Joseph Company had adapted its own wet shredding process that operated on the principle of flooding the mill with water while the car was being shredded. Wet shredding had the benefit of eliminating the damaging downstream cyclone explosions. From a business perspective, it gave shredder operators a further advantage in producing a washed product that was accepted by the electric furnace mills. The key disadvantage of wet shredding, on the other hand, was that it produced a lot of dirty process water and a sludge that contained glass, automobile liquids, paint, fibers, plastics, rubber, dirt and other volatiles.

After wet shredding, most of the process water was absorbed by the upholstery and carpeting of the shredded car. To be able to send this wet automobile shredder residue (ASR) "fluff" to the landfill, it needed to be dewatered first. From an environmental perspective, landfills did not want the process water. Furthermore, dump trucks would regularly leak some of the water on the highways while transporting the wet "fluff" to the landfill. From a cost perspective as well, there was a substantial benefit for shredder operators in keeping the water out of the landfill. As the absorbed water made up a large percentage of the weight of the ASR "fluff," dewatering meant lower landfill tipping fees because they charged by the ton, and lower transportation expenses. Driven by the desire to dewater its ASR "fluff," David J. Joseph Company's engineering department had devised its own dewatering process in-house by modifying a dewatering press used in food manufacturing.

In October 1989, Skip Rouster and Thomas Wendt traveled to Germany together to look at the Henschel vertical grinder mill to be used in the West Palm Beach Waste Authority project. During the train ride from Kassel, the headquarters of Henschel, to Munich, Skip explained to Thomas what David J. Joseph Company was doing to dewater the "fluff" produced in wet shredding. There were problems with the converted dewatering press David J. Joseph Company was using because it was not well suited for handling the heavy volume of a busy shredder. According to Skip, the principle worked but David J. Joseph Company needed a better machine as theirs



was coming apart. "You build presses. Can you build a dewatering press for us?" he asked. Never saying no to a customer's request, Thomas responded with great confidence, "Of course we can."

After returning from Europe, Thomas went to David J. Joseph Company's Tampa Port Yard where Skip showed him the dewatering press, called the "Squeezer," as well as the wet downstream processing system. At the time, Thomas knew very little about shredding as Wendt was not in the shredding business, but in the business of baling presses and shears. When Thomas arrived at the yard, David J. Joseph Company was doing maintenance on its 4,000-horsepower shredder. This gave Thomas the opportunity to get into the machine. "I actually crawled inside the shredder mill. I had never seen a shredder that close up before," he remembers.

After visiting the yard, Thomas and Skip went to a local restaurant, Bennigan's, where Thomas drew a sketch on the back of a napkin of his vision for an improved wet downstream system, including Wendt's own dewatering press. With the go-ahead to put together an official design, Thomas sent Mike Woodward to Tampa to analyze David J. Joseph Company's "Squeezer" in detail and determine what worked and what did not. Following his return, Thomas and Mike came up with the design of the D&J Wendt DP-3100 wet fluff dewatering press, presented it to David J. Joseph Company and made the sale.

In retrospect, Skip's invitation for Wendt to build a dewatering press was a key moment in the evolution of Wendt towards becoming an equipment and solutions provider to the automobile shredding industry. Not only did it provide Wendt the opportunity to design and manufacture its first machine for a shredder

Left image: Thomas' drawing of what would become the HydroSort on a Bennigan's napkin after his first visit to the David J. Joseph Company Tampa Port yard in Florida.

Right image: The napkin drawing transformed into the HydroSort concept.

Top and middle image: The first D&J WENDT Model DP-3100 wet fluff dewatering press manufactured at Industrial Drive (top image) and in operation at the David J. Joseph Company yard in Henderson, KY (middle image).

Bottom image: D&J WENDT Model DP-3100, the first second-generation dewatering press, pictured in front of the Houston Port yard's HydroSort drag tank.

The top left image on the opposite page shows the hydraulic power unit for the same project.

operator; but once the machine had proven itself at the Tampa Port Yard, David J. Joseph Company purchased Wendt dewatering presses for all of its wet processing plants. Being able to help David J. Joseph Company solve its dewatering challenge subsequently led to David J. Joseph Company asking Wendt to help improve its entire wet downstream processing system at the Tampa Port Yard as well. The resulting system Wendt designed became the basis for its in-house engineered and manufactured HydroSort product line, which significantly improved the wet downstream process and gave Wendt a product line specifically catered to the shredding industry.

WATCH, LISTEN, APPLY—BECOMING AN EXPERT IN WET DOWNSTREAM FERROUS PROCESSING SYSTEMS

In order to deliver downstream systems to shredder operators, Wendt needed to become an expert in the flow of material. "Building downstream systems is all about material handling," Mike Woodward explains. Wendt began building methodology with the goal to create the best possible process solutions for the scrap metal processing industry.

In learning the ins and outs of wet downstream processing, Wendt chose a hands-on approach that involved Mike Woodward visiting many yards across the country, asking shredder operators questions about what worked and what did not, and watching machines operate for hours. The knowledge gained in the field, combined with Wendt's engineering capabilities, became instrumental to Wendt's ability to develop its own system and evolve into the trusted partner of shredder operators the company is known as today.

Top right and bottom image: The last Wendt Corporation Model DP-4500 press shipping (top image) and installed at Upstate Shredding in Owego, NY (bottom image).

THE WENDT HYDROSORT REDEFINES THE WET SEPARATION PROCESS

In 1990, Wendt launched its HydroSort, a complete material cleaning and separation system for automobile shredding plants. Offered in different models for different-sized shredders (from 2,000 to 6,000 horsepower shredders), it separated the shredded automobile into three segregated material streams: a washed clean grade of ferrous scrap metal, a clean and pure grade of non-ferrous residue averaging over 80 percent metal content by weight, as well as the ASR or "fluff" stream.

To fully appreciate the benefits of Wendt's HydroSort process, it is important to understand how the shredder industry worked at the time. After a car was shredded, the shredded pieces ran over a magnet which took ferrous materials out, leaving a non-ferrous concentrate. Most shredder operators had hand pickers on that stream to sort out the bigger aluminum and stainless steel pieces. The material mix that was left was commonly sold to one of two heavy media plants in the country that used float-sink technology to separate it further.

Designed as an upgrade for automobile shredding systems, Wendt's HydroSort process used twin magnets and a rising current separator, similar to the ones used in the mining industry, to further separate the materials that were left after shredding an automobile. Everything that did not stick to the magnets went into the rising current separator that operated like a big tank with a Ferris wheel inside. When hit with a rising column of water at the right speed, non-metals like "fluff" and rubber floated while metals sank. The metal that was extracted that way still had to be sent for further processing to one of the two heavy media companies, but, after going through the HydroSort process, it was a higher-grade concentrated non-ferrous metal product. Considerable environmental benefits were gained from incorporating the Wendt DP-3100 dewatering press into the HydroSort process: the recycled process water went back into the system reservoir for reuse, which greatly reduced water consumption and prevented contaminated process water from being carried off site.

Thomas reflects on the impact of the HydroSort process on shredder operators: "We were one of the first companies to upgrade the non-ferrous metal stream. The HydroSort separated a lot of non-ferrous metals out, maybe 60 percent of the available metal. Today, we are the leader in recovering non-ferrous metals, with the ability to recover over 99 percent of the available non-ferrous metals. The HydroSort led us into non-ferrous sorting and separation, which is still a major part of our business today."

Opposite page: HydroSort installation at Roanoke Steel in Roanoke, VA.

Bottom image: The first Wendt Corporation HydroSort rising current separator for the David J. Joseph Company Houston, TX project.

The first Wendt Corporation Infeed Conveyor purchased by Alan Crouch at David J. Joseph Company for the Houston, TX project.

SALE OF THE FIRST HYDROSORT SYSTEM

In November 1990, Wendt sold its first HydroSort system to Alan Crouch, Vice President of Operations of David J. Joseph Company, for its Houston Port Yard. Consisting of a wet downstream and the first infeed conveyor manufactured by Wendt, it laid out Wendt's future as a comprehensive solutions provider to the shredding industry: "It was the first time Wendt created an entire shredding system—everything but the shredder mill itself. That was monumental for us in that from then on we were in the shredding industry. We got our foot in the door," Thomas reflects. Ironically, that first HydroSort system was never installed at the Houston Port Yard because David J. Joseph Company experienced zoning problems and ended up selling the equipment to one of their customers, Roanoke Electric Steel in Virginia, where it was eventually installed.

Top image: HydroSort installation at the Omnisource shredding facility in Fort Wayne, IN.

Bottom image: Alan Crouch and Skip Rouster from David J. Joseph Company at the Volkswagen prototype car dismantling facility in Northern Germany.

Computerization of Wendt. Top: Bill Close.

Middle left: Joe Bertozzi.

Bottom right: Brian Canham and the first "computerized" engineering department.

Bottom left: CAD operator pictured with new plotter.

COMPUTERIZATION OF WENDT

Going back to Thomas's realization as a young engineering student that computers were the way of the future, Wendt was an early adopter of computer technology. The installation of an IBM XT computer in 1984, only one year after IBM had come out with a personal computer, marked the beginning of the computer age at Wendt at a time when very few businesses had computers. Purchased for $10,000, this was a massive investment for the small company that was made the moment Wendt could afford it.

With the computer in place, Wendt began the gradual process of computerizing various functions in the company. One of the first changes was the implementation of a program used for typing purchase orders and invoices on the computer. To simplify communications with Wendt's European partners, the company purchased a program called Easy Link. Previously, to communicate with Henschel in Germany, Wendt either corresponded by mail or by calling Thyssen Rheinstahl Technik, a sister company to Thyssen-Henschel based in New York, and having them telex Henschel in Germany on Wendt's behalf. With the purchase of Easy Link, Wendt could now communicate directly with Henschel without having to wait or go through an intermediary.

In the mid-1980s, shortly after purchasing the IBM computer, Wendt hired an accountant to transfer the accounting function onto the computer. When the accounting position became vacant in 1987, Joe Bertozzi joined Wendt in that capacity and quickly professionalized the use of accounting software. On the drafting and engineering side, bringing in CAD technology in 1988 was a major step in the process of going from pencil to computerized drawings. The hiring of Bill Close, a computer science graduate, in 1989, to computerize sales proposals and costing resulted in computerized proposals and customer presentations. It further marked the beginning of computerized spreadsheets that became the backbone of Wendt's elaborate and highly-sophisticated costing system. In 1989 as well, Brian Canham was hired as a CAD operator to computerize Wendt's engineering drawings. Having computerized sales drawings to present to customers as part of the sales process brought Wendt another step closer towards becoming a fully-computerized company.

DRIVEN TO SUCCEED— BUILDING THE WENDT TEAM

From an organizational perspective, Wendt was a very flat organization with a small team of early employees, including Will Wendt, Mike Woodward and Micki Trinkwalder. As founder and president, Thomas wore many hats at this time: defining the vision, leading the company, driving sales and business development while traveling and visiting scrap yards, as well as supervising the engineering process. Thomas and Micki shared responsibilities in hiring new employees and looking after the sales follow-up with customers.

From 1979 onward, Wendt had several draftsmen, and yet, an actual engineering department did not develop until 1987, when Wendt began manufacturing. Thomas's brother-in-law, Tom Siejka, who had been hired in 1984 to assist Thomas with the Henschel line, took on the role of Service Manager and eventually assisted Will Wendt in the shop. After about four years with the company, Tom went back to school to become a pharmacist.

Wendt employees during the second half of the 1980s.

Top left image: Tom Siejka.

Middle image: Joe Bertozzi.

Today, his son David Siejka works for the company. David joined Wendt in 2008 in the costing department and is now a member of the sales team.

As Wendt grew, it kept investing in people. Beginning in 1987, some key players who have stayed with the company to this day joined the organization. The hiring of Joe Bertozzi in 1987 and of Bill Close and Brian Canham in 1989 were expressions of Wendt's determination to bring the best people on board for the company's future as a leader in the scrap metal processing equipment industry. Joe, Bill and Brian have served in a great number of roles over the years: Joe as Accountant, Controller, General Manager, Financial Manager, Office Manager and since 2004, as Vice President of Finance; Bill as Product, Sales/Cost, and MIS/Sales Engineer, Applications Engineer and since 2011, as Sales Manager of Non-Ferrous Separation Systems; Brian as CAD Operator, CAD Lead, Design Supervisor, Project Manager and since 2013, as Project Engineer. Similarly, Mike Woodward, who had joined full-time in 1980, has held many different positions over the years, including Welder, Field Service Technician, Technical Manager, Machine Designer, Product Development Manager, and Research and Development Manager.

Micki Trinkwalder reflects on how the members of this core group have contributed to the success of the company over the years: "These are the creative minds that take ownership in the growth of the company and have afforded Wendt the ability to be flexible and dynamic, to put itself out there and to deliver on concept and against an idea. They share the Wendt family's drive to succeed. They want to see the company grow and they all have that drive within them to do their best."

Wendt employees during the second half of the 1980s (continued).

Top right image: Micki Trinkwalder and Mike Woodward.

Middle left image: Thomas and Wendt employees celebrating Thomas's 40th birthday - 1989.

Bottom right image: Will Wendt with the Plant Foreman, Mark Nowakowski.

Trade show exhibits played an important role in raising the profile of Wendt Corporation in the industry from early on. Throughout the 1980s, Wendt attended and exhibited at up to four trade shows per year, establishing a tradition that continues to this day.

Top left image L to R: Miguel Claval and Lothar Klüttermann having fun at a trade show.

Top right image: Wendt exhibition booth at NARI 1986 in Los Angeles.

Bottom image: Wendt at the BIR 1986 Convention.

Top left image: Thomas Wendt in the company booth in 1986.

Top right image: Eugene Herrick in dark suit (Quality Scrap Processing - QSP) and Hank van Doorn, Managing Director at MBH.

Bottom left image: Lothar Klüttermann in the Wendt booth at the 1986 ISRI Convention.

Bottom right image: Neil & Sherry Richman of Jet Scrap paying the Wendt trade show team a visit.

"DOS HUEVOS FRITOS"— EATING ONE'S MISTAKES

One of the business ventures started by Ralph Pinkert was a Chicago-based company called Raw Materials Incorporated. In the late 1980s, Raw Materials had a contract with Chicago Heights Steel for preparing scrap from railroad rails. Chicago Heights Steel uses scrap made from railroad tracks in the production of new steel products. At the time, it was buying brand new rail coming out of the Soviet Union that was sold to North America as scrap. Selling surplus rail was one of many ways the Soviet Union was trying to deal with its mounting economic difficulties that eventually led to its collapse in 1991.

As part of his company's contract with Chicago Heights Steel, Ralph reached out to Thomas to help him find a heavy-duty shear that was capable of cutting rail. Thomas recommended a shear made by Moros and together, Ralph and Thomas traveled to Spain to look at the equipment.

In Spain, Thomas and Ralph visited the Moros plant and saw the Moros equipment in operation at different yards in the Zaragoza area. One evening, as they were walking through Zaragoza, they noticed a diner called "American Grill" and decided to go in for a burger and a beer. Ralph, who had been to Acapulco that winter, knew some basic words in Spanish and volunteered to place the order. He ordered beer and told the waiter with great confidence, "Dos hamburgers con huevos fritos, por favor."

After the waiter had taken the order, Thomas and Ralph watched the cook make the burgers on the grill right in front of them. Then the cook fried up two eggs. To their surprise, Thomas and Ralph were served a small plate with toast, followed by two plates just with the hamburgers on them and a separate plate with two fried eggs. "Thomas looked at me and said, 'I am not eating those. Where are our french fries?'" Ralph remembers. Thinking that he had just forgotten about the french fries, Ralph called the waiter over and repeated with great authority "Dos huevos fritos." Two more eggs went on the grill and were served to Thomas and Ralph. By this time Thomas had had enough. "I am not eating those eggs," he insisted. So when the waiter came back, Ralph pointed to the sign above the grill that showed hamburgers and fries and to the plate of another customer that had fries on it. Once more he said, "Dos huevos fritos." Everybody, with the exception of Ralph and Thomas, broke out in laughter because what Ralph was pointing at were "papas fritas," Spanish for french fries, as opposed to "huevos fritos," Spanish for fried eggs.

Eventually Ralph and Thomas got their french fries. Meanwhile, there were still four eggs on the counter. Ralph sums up what to this day remains the funniest story shared by him and Thomas: "I did not want to leave a bad impression about Americans leaving their food on the table so I said to Thomas, 'I will eat those eggs. I will eat my mistakes. Remember Thomas—I am eating my mistake! I expect you to do the same in the future when you make a mistake!'" "That story alone was worth the trip to Spain," Thomas remembers with a laugh.

QUALITY SCRAP PROCESSING

In 1989, Thomas and Ralph formed a separate company together called Quality Scrap Processing. The purpose of the joint venture was to cut up scrap rail, of which there were thousands of miles across the U.S., to make it a marketable product to the steel mills. For this application, Moros designed and built a Rail Kropper—a powerful shear capable of breaking or snapping the used rail which had become hardened and brittle from trains running on it for years. The Rail Kropper marked a major improvement over the process that was standard at the time—that is cutting a 'V' into the hardened rail with a torch and then snapping the brittle material manually using a sledge hammer. Ralph reflects on how Quality Scrap Processing got started: "There was another company in that field that was looking into having a machine built to cut rail. Thomas felt Moros could build a machine that was as good or better. So we went together and formed Quality Scrap Processing."

Before the machine was delivered, however, Ralph sold his other businesses to Luria Brothers and decided to divest of his ownership stake in Quality Scrap Processing as well. After buying out Ralph, Thomas hired Eugene (Gene) Herrick, a former employee of Ralph's at Raw Materials Incorporated, as Operations Manager. Under Thomas's sole ownership, and with Gene running the equipment, Quality Scrap Processing continued to operate the Rail Kropper in Buffalo and Chicago until Thomas returned the machine to Moros in trade for the first Moros logger baler and then closed the rail cropping venture.

READY TO BECOME A FULLY INTEGRATED SYSTEMS SUPPLIER

Business developed quickly throughout the second half of the 1980s. In 1987, Wendt broke a million dollars in revenue for the first time. A year later, that doubled to two million dollars and at the end of 1989 hit the three-million-dollar mark. By the end of the 1980s, Wendt had made significant steps in the process of becoming a manufacturer specialized in serving the needs of automobile shredder operators. Through innovations such as the DP-3100 dewatering press and the HydroSort product line, Wendt had proven its ability to deliver innovative equipment and upgrade processes in working with some of the largest processors in the industry. The sale of the first HydroSort system consisting of the entire wet downstream except for the mill had set Wendt on a clear path towards becoming a fully-integrated systems supplier in the future. Wendt would enter the 1990s with annualized growth rates of close to 25 percent. The unique skill set and drive of the Wendt team would allow the company to be even more dynamic, creative and innovative in coming up with new ideas and developing equipment and processes to meet the needs of the changing industry.

Opposite page: Ralph Pinkert relaxing in Madrid.

This page: Moros Alligator Shear sold to Ralph Pinkert of Raw Materials Inc. in Chicago, IL.

CHAPTER SIX

Expansion and Diversification

March 1991 "The Russian Connection" – Trip to Helsinki, Leningrad, Rostov and Moscow.

VISION AND PLAN FOR THE FUTURE

Following the manufacturing of the first machine in 1987, the vision continued to evolve towards Wendt becoming a diversified manufacturer and equipment distributor focused on complete processing systems for shredder operators. The path chosen for making this vision a reality included becoming a licensed manufacturer of European equipment, diversifying into new related industries and widening the scope of the business internationally.

Determined to always be at the forefront of new developments, Thomas went to Europe almost every other month over the course of a 15-year period that spanned the 1980s and 1990s. One year, he made the transatlantic flight nine times. While usually travelling by himself and sometimes with customers as well, he was always looking out for "the next big thing" that had the potential of changing the industry. Many of Thomas's trips to Europe included visits to multiple countries at a time. "We would visit yard after yard and look at all sorts of equipment. Oftentimes, there was equipment I'd never seen before and this certainly had an influence on our product line," Thomas reflects.

Another source for new ideas, next to the annual NARI and ISIS Conventions in the U.S., was the annual international trade show put on by BIR (Bureau of International Recycling, Brussels, Belgium), which Thomas began attending in 1984. Hosted in May of each year in a different location around the world, it took him to Paris, Istanbul, Hong Kong, Singapore, Madrid, Rome, London, Amsterdam, Helsinki and many other cities over the next 25 years.

Top image: 1993 Convention in Orlando - L to R: Phil Bienstock (Wendt Corporation Sales Manager), Thomas, Tom Jr., Mike Woodward.

Bottom left image:Tom Wendt Jr. at his second convention - 1996.

Middle right image: Jean Depraetere, Sales Manager at Sobemai.

Bottom right image: Joe Bertozzi and Mike Woodward - 2000.

Opposite page background image: The first E-Crane sale to Intermetco in Hamilton, Ontario, in May 1990.

Insert image: Jean Depraetere, Sales Manager at Sobemai, in Belgium posing with a Citroen 2CV, the car he always wanted.

BECOMING A LICENSED MANUFACTURER OF EUROPEAN TECHNOLOGY (E-CRANE AND THYSSEN-HENSCHEL VERTICAL GRINDER)

As far as agencies and distributorships for equipment made by other manufacturers were concerned, Wendt's developing core focus was on manufacturing rather than importing. Thomas reflects on his vision in the late 1980s: "My mind was set on manufacturing. I was more interested in manufacturing than in agencies and distributorships. At this point, I was going to initially buy and resell, moving towards being a licensed manufacturer of European equipment in the U.S." An article in the 1992 *Scrap Processing and Recycling* Magazine quoted Thomas as saying: "I want the European products but I want to manufacture them here under license."

Manufacturing agreements with European manufacturers were part of Thomas's larger vision for bringing technology rather than products from Europe to North America. In addition to aligning better with Thomas's core vision for Wendt as a manufacturer, licensed manufacturing had other advantages as well. Sudden changes in foreign currency rates, and a weak dollar in particular, could make machines imported from Europe less competitive in the North American market. Furthermore, it was generally harder to service customers as a sales agent or distributor than as a manufacturer. "It basically boils down to controlling the product," Thomas was quoted in 1992 by the *Scrap Processing and Recycling* Magazine.

A reflection of this larger vision, Wendt entered into two licensing agreements: the first one was for manufacturing the Sobemai Equilibrated Crane and the second one for manufacturing Henschel's vertical grinder mill.

In the late 1980s, Thomas first learned about a crane that stood out through its unique design and handling capabilities. Called an equilibrated crane, it was a balanced crane with an unprecedented reach of up to 104 feet and load lifting capacities up to 11 tons. From a design perspective, the crane's unique boom system was based on a pivoting counterweight that connected the rear of the boom and the front arm to keep it balanced at all times. The key advantage of this unique design was its very low energy consumption. From an operational perspective, users of an equilibrated crane would benefit from the crane's ability to reach all the way around a scrap yard without having to keep moving to feed the shredder or having to operate multiple cranes.

At a trade show in Montreal, Quebec, Canada, Thomas had a conversation with Bob Patterson, the Yard Manager of Intermetco in Hamilton, Ontario, Canada. Intermetco was looking into purchasing an equilibrated crane for its operations. There were two designs on the market at the time—a French design with a boom system that was connected hydraulically and the Belgium-built Sobemai crane where the counterweight mechanism operated mechanically. Bob Patterson asked Thomas for his opinion on which design would be better suited to Intermetco's needs. Following the trade show, Thomas went to Hamilton to assist Intermetco in deciding which crane to buy. Thomas was so fascinated with the concept of the equilibrated crane that he reached out to Sobemai and Wendt became the distributor of Sobemai's equilibrated crane in North America.

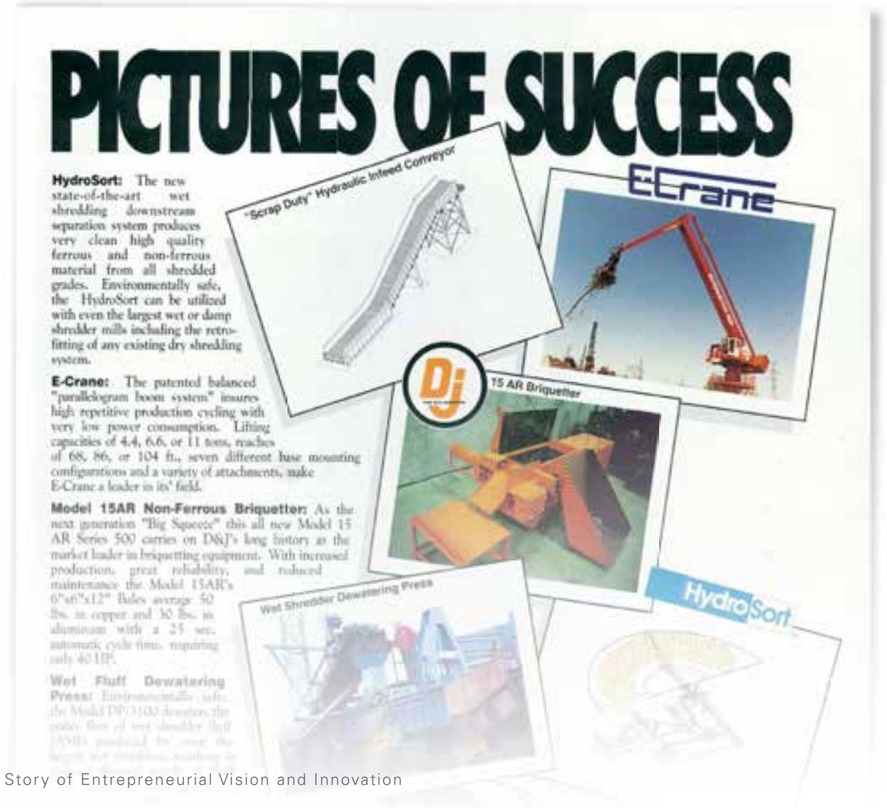
To set up the distributorship, Thomas flew to Maldegem, Belgium to meet with Kilian De Lille, the owner of Sobemai. Thomas and Kilian came to an agreement and, in January 1989, Wendt became Sobemai's exclusive distributor in North America. In October 1989, Wendt and Sobemai incorporated E-Crane Corporation as a joint venture that gave Wendt the exclusive right to manufacture and market the Sobemai Equilibrated Crane, renamed E-Crane by Thomas, for the North American market. In its role as the Sobemai distributor in North America, Wendt sold and delivered its first E-Crane to Intermetco in May 1990.

This page: 1990 Product Line Advertisement.

Opposite page: 1991 - D&J WENDT Model 410-3 manufactured at Industrial Drive – "The first manufactured $1 million sale."

Adding the E-Crane to the Wendt product mix fit in well with Thomas's larger vision for Wendt as an integrated equipment provider because the crane tied the entire scrap processing cycle together. Combined with Wendt's other offerings, the crane as a material handling product would give Wendt the ability to fully outfit a greenfield plant and truly become the "Single Source for Recycling Systems" which Thomas envisioned. Before Wendt could start manufacturing the E-Crane in its own facility, however, Sobemai went bankrupt. The bank that sold the assets of the company did not honor the manufacturing agreement and unfortunately Wendt never built the E-Crane.

Three years later, in 1993, Wendt negotiated an agreement with Thyssen-Henschel to manufacture its vertical grinder mill under license in the U.S. After the E-Crane manufacturing agreement had not materialized, Wendt was looking for another line of equipment to manufacture at its plant. As with the E-Crane, however, the licensing agreement for the vertical grinder mill never reached the production stage. The Henschel vertical grinder mill was simply too expensive a product to manufacture and sell in the U.S. market and Wendt's relationship with Henschel would end in 1995, less than two years after the manufacturing agreement had been signed.


PICTURES OF SUCCESS

HydroSort: The new state-of-the-art wet shredding downstream separation system produces very clean high quality ferrous and non-ferrous material from all shredded grades. Environmentally safe, the HydroSort can be utilized with even the largest wet or damp shredder mills including the retro-fitting of any existing dry shredding system.

E-Crane: The patented balanced "parallelogram boom system" insures high repetitive production cycling with very low power consumption. Lifting capacities of 4.4, 6.6, or 11 tons, reaches of 68, 86, or 104 ft., seven different base mounting configurations and a variety of attachments, make E-Crane a leader in its' field.

Model 15AR Non-Ferrous Briquetter: As the next generation "Big Squeeze" this all new Model 15 AR Series 500 carries on D&J's long history as the market leader in briquetting equipment. With increased production, great reliability, and reduced maintenance the Model 15AR's 6"x6"x12" flakes average 50 lbs. to copper and 30 lbs. to aluminum with a 25 sec. automatic cycle time, requiring only 40 HP.

Wet Fluff Dewatering Press: Environmentally safe, the Model DP-3100 dewaters the entire flow of wet shredder fluff (ASR) produced by even the largest wet processing systems to a

"Scrap Duty" Hydraulic Infeed Conveyor

E-Crane

15 AR Briquetter

Wet Shredder Dewatering Press

HydroSort

THE FIRST MANUFACTURED MILLION DOLLAR SALE

In 1991, Wendt designed and sold an 800 ton D&J Model 410 baler to River City Shredding in Louisville, Kentucky. For this project, Wendt took the design of the original D&J Model 410, the machine SCA had in Chicago, and built a completely redesigned "super model" of it. The project stands out in the evolution of Wendt as the first million dollar sale made not as an agent or distributor, but as a manufacturer. Thomas remembers: "We were now manufacturing, and it literally filled up our plant in North Tonawanda. You could not move in the building."

Top image: The Industrial Drive facility after a second floor was added during Phase IV to house the Engineering Department.

Bottom image: The new second floor Engineering Department at Industrial Drive.

MOVE TO 2080 MILITARY ROAD IN TONAWANDA, NEW YORK

In 1992, prior to learning that the licensing agreement for manufacturing the E-Crane had become obsolete, Wendt moved from its Industrial Drive location to a plant on Military Road in Tonawanda. Conveniently located near two major highways and the Buffalo Airport, the new facility was a former steel warehouse owned by Enos & Sanderson Company. One of the main driving forces behind the move was that Wendt intended to manufacture the E-Crane in the new, significantly larger location.

Wendt had just invested into a second floor office addition (Phase IV) on Industrial Drive and was also purchasing the property behind the Industrial Drive plant when the opportunity to move presented itself. After investing significant resources into the Industrial Drive facility, the move to Military Road carried the danger of Wendt overstretching itself financially.

Before making a final decision, Thomas called an office meeting for the entire staff, told them about both the opportunity and the risks involved and asked for their input one by one. Bill Close remembers: "There was a chance that we could be reaching too far too quickly. All of our salaries were kind of on the line with that move. Thomas told us that while it was the right decision from a business perspective, there was high risk involved. He explained the circumstances and then said: 'I'd like your feedback and to put it to a vote.' We were excited about the opportunity because we were running

Full plant at Industrial Drive in 1991 – the reason why Wendt moved to Military Road.

The new office building at Military Road.

Opposite page, top image: Bill Close at work.

Middle and bottom image: The Wendt Engineering Department in 1993 at Military Road.

out of space on the manufacturing floor on Industrial Drive. Even with the new office space we had added, we were still a bit crowded and in one big room. The staff was in full support of the move and that's what Thomas needed to hear."

The move to Military Road meant a huge gain in size as Wendt went from a 17,000 square foot plant with 4,800 square feet of office space on two acres to 57,000 square feet, consisting of a 52,000 square foot plant and 5,000 square feet of office space on seven acres. In addition to addressing space limitations, the Military Road facility would give Wendt the space it needed to keep growing without being landlocked like on Industrial Drive where a residential neighborhood behind the plant limited further expansion. At the time of the move, Wendt had 30 employees and expected to hire another ten within the year.

NEW PRODUCT AND PROCESS DEVELOPMENT

Wendt's determination to manufacture innovative processing equipment for the production of cleaner, denser and more valuable grades of scrap made new product and process development a core function of the business. A key part to Wendt's success was its willingness to listen to operators in the yards and to work closely with customers in finding solutions for each client's unique equipment and process challenges. When venturing into new areas, Wendt always leveraged what the team had already learned. Mike Woodward explains Wendt's time-tested hands-on approach to product and process development: "We constantly applied everything we could learn. There's nothing more valuable than learning from somebody else's experience. The more we looked at a customer's unique situation, the more we were able to understand that customer's exact needs. Many of the operators we worked with had tried things and had qualified successes in dealing with equipment challenges. Those are the kinds of things that you can't invent yourself without listening and being hands-on."

Product development was not a formalized function at Wendt, but was done in true entrepreneurial fashion. There was no separate R&D Department and, as a matter of principle, everybody was encouraged to come up with ideas. Thomas and the team would often bounce ideas around and try to make them work by applying what they had learned from previous experiences to the new concept. Bill Close explains: "We've always been an innovative company trying to move forward. It's in our DNA. There's been no formal department or planning process. With each job, we're looking at what we did right and what we'd like to do better. While projects may look similar in execution, there's a continuing progression of improvement through all of them."

WENDT INTRODUCES THE EDDYSORT SYSTEM AND THE "SUPEREDDY" SEPARATOR—THE STRONGEST AND MOST POWERFUL EDDY CURRENT MACHINE

The early 1990s marked the launch of Wendt's innovative EddySort System product line. Utilizing the most powerful Eddy Current Separators (ECS), Wendt's EddySort System recovered most of the non-ferrous metals trapped in automobile shredder residue (ASR). The EddySort product line was offered to the

Top and bottom left image: Double EddySort System at David J. Joseph Company's Tampa Port yard in April 1992.

Bottom right image: Artist rendering of the Wendt HydroSort and EddySort System.

market as a pre-engineered, self-contained system that could be used in-line with any existing shredding plant or batch-fed as a standalone process.

The Wendt EddySort System addressed an issue commonly overlooked by shredder operators at the time: extracting more non-ferrous metal from the ASR "fluff" stream destined for disposal. The EddySort was designed to turn what, until then, was a loss of non-ferrous materials into an additional source of income for automobile shredder operators. Its main benefit was that it maximized operating margins through the efficient recovery of non-ferrous metals from ASR waste streams while upgrading non-ferrous metal residues at the same time.

Eddy Current separation technology had started out as a European invention that used a "circuit" of rare earth magnets to get the non-ferrous metal out of the waste stream in a dry separation process. By introducing opposing magnetic charges into the metal, it repelled aluminum and some aluminum die cast. The evolution of the Eddy Current followed the

Double EddySort System at Commercial Metals in Seguin, TX.

The final generation of the SuperEddy Eddy Current separator.

composition of the scrap and particularly the increased amount of aluminum versus steel used by car manufacturers in the production of new cars. Cars that were built in the 1960s had a high steel content—even dashboards were typically made of steel. In the 1970s and 1980s, automobile manufacturers began replacing steel with lighter aluminum components. As the aluminum content in automobiles went up, so did the value of using Eddy Current machines in scrap metal processing.

As with previous technologies and processes, Wendt's relationship with David J. Joseph Company played an important role in Wendt developing its capabilities in non-ferrous separation using Eddy Current technology. David J. Joseph Company had purchased a prototype Eddy Current machine, integrated it with conveyors and was using it in its Tampa Mill Yard. To make the process more efficient, David J. Joseph Company hired Wendt to convert the process into a pre-engineered standalone system. In building a tandem system for David J. Joseph Company's Tampa Port Yard, Wendt developed its proprietary process for non-ferrous separation. It was this particular project that led Wendt into non-ferrous metal dry separation systems.

In the process of designing what would become the EddySort System, Wendt began learning about material mass balance, which today constitutes a key competency that distinguishes Wendt as an industry leader. Thomas explains: "With a lot of help from David J. Joseph Company and Skip Rouster, we figured out the mass balance of the automobile shredding process. David J. Joseph Company did a mass balance analysis on pretty much all the material that came in the front gate and then again on the material they shipped out the back gate. That was my first real introduction to mass balance analysis."

Understanding the concept of mass balance would change the way Wendt sold non-ferrous processing equipment to shredder operators. Knowing the mass balance between the material that goes in and the marketable product that comes out of the process, including the price paid for different metals, allowed Wendt to show potential customers how much actual revenue they were losing by not investing into equipment that would help them achieve a higher recovery rate. Prior to the use of Eddy Currents, 50 lbs. of non-ferrous metal per shredded ton was considered a good recovery rate. The Eddy Currents took that rate up to 78 lbs. In comparison, today's technology that provides for the additional recovery of stainless steel, copper, and insulated copper wire, has raised the average recovery rate to 110 lbs.

Following the April 1992 purchase of the first EddySort System for its Tampa Port Yard, David J. Joseph Company commissioned Wendt to create an identical system for its Baldwin Yard in Jacksonville, Florida. Thomas reflects: "When Skip asked us to make the Baldwin Yard identical to the Tampa Port Yard, from an engineering and operations point of view he was creating a standard process that could be applied to any location."

Wendt improved on the Eddy Current technology by building the most powerful Eddy Current machine on the market—the Wendt "SuperEddy." The key advantage of the "SuperEddy" was its extremely powerful permanent magnets. Manufactured by Eriez Magnetics in Pennsylvania, the magnets were made from rare earth Neodymium powder with a magnetic induction of 13,000 gauss. In contrast, regular permanent magnets used in Eddy Current separation had a magnetic flux density of 3,000 to 4,000 gauss.

In the most basic terms, the Wendt EddySort System took the entire flow of the ASR "fluff" stream coming from either a wet or dry process shredding plant and ran it through the separation process. The process consisted of a feeder, sizing trommel and a series of conveyors that delivered a consistent metered flow of "fluff" to the "SuperEddy" Eddy Current separators.

As the most powerful, highest-capacity Eddy Current separator available, the Wendt "SuperEddy" was capable of separating metals that standard Eddy Current machines were not able to separate. The "SuperEddy" recovered non-ferrous fines, low magnetic alloys, certain stainless steels and other hard-to-separate materials from the waste streams while "scalping" high-grade sheet aluminum into a separate flow. Processors could sell that higher-grade aluminum at a premium price which in a short time paid for the added cost of the machine.

The "SuperEddy" was a reflection of Wendt's philosophy to design and manufacture the best possible equipment that would provide customers the ultimate return on investment. Thomas explains: "The Eddy Current hit the market and we jumped on it with a vengeance. We wanted one that was more powerful and the best one on the market. That's what we've always strived to do."

In May 1995, Wendt sold the first EddySort System including its in-house designed and manufactured "SuperEddy" separator to United Iron & Metal in Baltimore. The "SuperEddy" subsequently became a highly successful product line for Wendt.

In his role as Vice President of Operations for David J. Joseph Company, Skip Rouster played a major role in the evolution of Wendt into a specialized manufacturer serving the automobile shredder industry. Thomas credits Skip with being "the one who introduced us to non-ferrous metal recovery. Our expertise in non-ferrous separation came from Skip teaching me the non-ferrous side of the shredding business." Whether it was the West Palm Beach, the HydroSort or the EddySort projects, it was Skip who provided the original impetus for what in retrospect were key milestones in the evolution of Wendt.

Thomas Wendt and Skip Rouster in Germany during one of many joint business trips to Europe.

Top, middle and bottom left image: Final Model 15 AR Series 500 manufactured at Military Road for Olin Defense.

Bottom right image: D&J Model 75 being remanufactured at Military Road.

BUILDING A BRAND

In 1992, while relocating to Military Road, Thomas decided to drop D&J from the company name. From then on, the former D&J Wendt Corporation became known as Wendt Corporation (WC). As part of the rebranding, Wendt adopted a new logo and green became the new brand color. The new name was a reflection of Thomas's intention to make Wendt a standalone brand as a manufacturer in its own right. Most of Wendt's direct competitors were family-owned manufacturing businesses whose machines were identified in the market by the name of the founding family. Following the purchase of a new computer-controlled burn table, Wendt started the practice of burning out the new WC logo and welding it onto each machine to make it easily identifiable as a "Wendt." Although D&J machines were no longer the main focus of the business, Wendt would continue to manufacture and service D&J balers as part of its growing portfolio of products and services.

The evolving Wendt brand quickly became known for premium quality and attention to detail. Thomas remembers one particular customer's response that has stayed with him ever since: "Shortly after we moved to Military Road, a customer came in to look at a piece of equipment we had built. After we demoed it, he stood back, and said, 'It certainly has the Wendt fit and finish.' I have always remembered that."

Another key identifier of the developing brand was the company's growing reputation as a manufacturer that practiced a consultative and process-focused approach in working with its customers. Bill Close sums it up the best: "One of the things that has really differentiated us in the industry is that our salespeople haven't been the typical salespeople. We are consultants trying to advocate on behalf of our clients for best practices. We are trying to educate and bring people along."

"GREEN BAY PACKERS GREEN"

As noted previously, Wendt had used the color orange from the earliest days to distinguish its equipment from competitors' products. After incorporating D&J into the organization in 1981, the Wendt brand color had switched to blue before being replaced by green when Wendt moved from Industrial Drive to Military Road in 1992. Wendt's color branding took an unexpected turn when, in 1995, the company sold an EddySort System built at its new Military Road facility to North Star Steel in Minnesota. Thomas reflects on what was one of the most unique sales conversations in the history of Wendt: "The customer said to us, 'we don't like your green. The only way we'll buy the system is if it is Green Bay Packers Green.' So we figured out what actual color Green Bay Packers Green was and painted the system in that green using John Deere color paint." After that particular project, Wendt continued using its regular green until 1998, when it changed to blue and yellow, which have remained the company's brand colors ever since.

D&J Model 15 after remanufacturing at Military Road.

HydroSort downstream ferrous separation system installation at Mayer Perry in London, UK.

HYDROSORT FERROUS SEPARATION SYSTEMS FOR MAYER PARRY AND PARKWAY IRON & METAL

In 1992, right after Wendt had invested into its new Military Road facility, the scrap market crashed. When it recovered in 1993, the price for scrap went from virtually nothing to new heights. Almost immediately, Wendt received orders for two large HydroSort ferrous separation systems. One was from Mayer Parry, one of the largest recycling companies in England. The other one was from Parkway Iron & Metal, a scrap metal processor in New Jersey. Both projects were instrumental in helping Wendt overcome the challenges caused by the 1992 market crash.

First EddySort system installed at Davis Industries in Lorton, VA, featuring the first Wendt TumbleBack Feeder and the first Wendt square screening trommel.

DRIVING THE INDUSTRY FORWARD— WENDT INVENTS THE TUMBLEBACK FEEDER AND THE SQUARE SIZING TROMMEL

In September 1994, building onto its earlier experience with Eddy Current separation technology, Wendt sold a non-ferrous Eddy Current Separation System to Davis Industries in Lorton, Virginia, located just outside Washington, DC. For this sale, which marked the official introduction of the EddySort product line, Wendt invented the Tumbleback feeder and the square sizing trommel which subsequently evolved into highly popular products.

The Wendt Tumbleback feeder was designed for volume control. It could be used for in-line or batch-fed systems and in other applications where flow and "buffering" were required. Its main purpose was to absorb material surges and deliver an even metered material flow to the EddySort System for superior metal recovery. Thomas reflects on the naming of the Tumbleback feeder: "You fill the hopper up with material and the conveyor has lifting flights on the belt so as it picks up the material it meters it going up and the remainder cascades back into the hopper and tumbles back. That's why we called it the Tumbleback and although now other manufacturers make their own version, it is absolutely an invention of ours."

While the Tumbleback feeder controlled the flow, Wendt's unique square trommel was designed for screening and sizing the material. Thomas had come up with the design of the square trommel on an airplane while coming back from England. Rather than buying a trommel from another manufacturer, Thomas decided that Wendt should manufacture it at its own plant. Trommels typically consisted of a round drum. The square design Thomas invented was born out of necessity because Wendt did not have the capability to roll-plate in-house at the time. During the flight, Thomas played around with different shapes including an octagon and hexagon until deciding to go with the simpler square design. For production, Wendt used perforated plate and welded the square tube together. Lifting flights inside the square trommel made it "extremely aggressive" as a screening device, as Thomas emphasizes. Correspondingly, the square trommel was marketed as "the most aggressive screening and sizing equipment". Its unique design gave users the same capacity as a larger round trommel in a smaller and less expensive machine.

The launch of these two new product lines reinforced Wendt's growing presence in the market as a manufacturer. Since introducing them in 1994, Wendt has sold hundreds of Tumbleback feeders and more than 100 square sizing trommels.

First portable EddySort system shipping to Triple M in Toronto, Canada - March 1994.

Top left image: Philip Keatley, Managing Director of MMH WENDT Ltd. in Morden (London), UK.

Middle left image: Philip Keatley instructing Thomas on the fine art of cricket complete with tea and crumpets.

Bottom left image: Philip Keatley in front of MMH WENDT's new Wimbledon facility in the UK.

Top right image: MMH WENDT exhibition booth in Birmingham, England.

Bottom right image: A Wendt Corporation remanufactured Model 15 demonstration by MMH WENDT at the British Recycling Exhibition in Birmingham, England.

GOING INTERNATIONAL— MMH WENDT LTD.

The 1990s saw Wendt not only grow in the North American marketplace but expand its scope internationally as well. In 1994, MMH (Morrison Marshall and Hill), the London, England-based company owned by STEMCOR that had played such a crucial role in the original setup of Wendt's European distributorship network, became the distributor for Wendt products in the U.K., Africa and the Middle East. Four years later, in 1998, Wendt formed MMH Wendt Ltd. as a joint venture between Wendt Corporation and MMH/STEMCOR Holdings with agencies in the U.K., South Africa, Australia, Southeast Asia and Turkey. In March 1998, Wendt became ISO-9001 certified as part of MMH Wendt expanding its international scope.

Operating out of Wimbledon, London, England, the idea behind MMH Wendt was to sell Wendt products worldwide. MMH had offices and warehouses in Johannesburg, Istanbul and Singapore. Thomas visited the various locations to equip its staff with the knowledge needed for selling the Wendt product line in their respective markets. Looking back, the venture did not turn out as successfully as envisioned, mainly because Wendt's systems were too complex and technical to be sold like standalone pieces of equipment that could be picked up from a warehouse. MMH Wendt kept operating until the Fall of 2001 when the joint venture was dissolved.

Top image: Shaking hands in front of the MMH WENDT facility in Johannesburg, South Africa.

Bottom image: MMH WENDT's Garth Road Offices and plant in Morden (London), UK.

Employees in the early 1990s.

1991 Caricature of the "D&J Wendt Corporation Breakfast Club" portraying Thomas and key members of the Wendt office team. Of the employees shown, Brian Canham, Mike Woodward, Joe Bertozzi and Bill Close are still with Wendt today.

DIVERSIFYING THE COMPANY—TIRE RECYCLING

Thomas was always looking for new ideas and evolving markets while traveling in Europe, visiting yards, listening to scrap dealers, attending trade shows, and building connections with manufacturers. With the scrap market being cyclical, Thomas was keen on identifying suitable product lines that would not be related to scrap metal. In 1992, he found one in the emerging tire recycling market in Europe.

Europe was once again at the cusp of a new trend. With few landfills, generally higher levels of recycling, and innovative uses for recycled tires, tire recycling was developing into an industry in Europe. Although they were more expensive to build, roads containing a percentage of recycled (crumb) rubber were becoming quite common in Europe because they were much quieter and lasted longer than pure asphalt surfaces.

Seeing an opportunity to diversify Wendt into a market that was not scrap metal, Thomas decided to bring tire recycling equipment to North America. In that decision, Wendt was also banking on increased demand for rubber granules expected to result from the *Intermodal Surface Transportation Efficiency Act* (ISTEA), a U.S. federal law passed in 1991 which mandated the use of rubber in new road construction. Slated to take effect in 1993, it prescribed that 5 percent of state roads constructed with federal money in 1994 had to include recycled tire rubber, 10 percent in 1995, 15 percent in 1996, and 20 percent in 1997 and beyond.

CIMP Tire recycling plant at National Rubber in Toronto, Ontario.

The ISTEA mandate to use recycled rubber in new road construction was eventually repealed as part of the *Federal Highway Systems Act*, which was passed in late 1995 after considerable opposition from the asphalt paving community and from state highway administrators. In spite of that, the ISTEA initiative provided some impetus for individual states to address the issue of millions of abandoned tires littering the country. Part of Wendt's consideration in expanding into the tire recycling industry was that by bringing tire recycling equipment to North America, it could take the lead in getting rid of the huge piles of illegally dumped tires that posed a massive environmental hazard. In 1993, the U.S. Environmental Protection Agency (EPA) estimated that there were two to three billion scrap tires littering the country, often resulting in massive out-of-control fires.

To become a player in the evolving tire recycling market, Wendt became the North American distributor of a line of tire choppers, granulators and sizing equipment manufactured by CIMP, a privately-owned company headquartered outside of Paris, France. Following Thomas's visit with CIMP owner Jean-Pierre Laly, Wendt took on the CIMP distributorship in February 1992. During the next two years, Wendt sold three tire recycling plants in Texas, Toronto (Ontario, Canada) and Montreal (Quebec, Canada). Tire recycling projects were particularly popular in Canada where different levels of government invested into the kinds of plants Wendt provided. The CIMP product line gave tire recyclers the ability to chop the tires into smaller pieces and granulate them. The vulcanized granules were mainly used for sports surfaces, in particular as a two-inch underlay under artificial turf.

On January 1, 1995, after ending the distributorship for CIMP, Wendt became the exclusive North American distributor for Eldan Tire Recycling, a manufacturer of modular scrap tire shredding and granulating equipment headquartered in Faaborg, Denmark. Wendt opted for Eldan because Eldan provided Wendt a much broader and more inclusive product line that offered more possibilities in different markets. In 1998, through the purchase of Eldan's long-time agent, JWI in Charleston, South Carolina, Wendt became the exclusive distributor for the remainder of the Eldan product line as well. Built on a strong relationship between Thomas Wendt and Eldan owner Steen Laursen, the distributorship lasted until 2006, after Eldan had been purchased by The Scandinavian Recycling Group, which moved the company in a different direction.

The Wendt tire recycling systems that included the Eldan rasper changed the entire industry. Prior to using raspers, tire recyclers only chipped tires to sell the chips mostly to cement plants. Cement plants would use the four-inch chips, which included tire wire, in the cooking process for making cement. Tires that could not be sold would be sent to the landfills. They needed to be chipped as well because whole tires deposed of in landfills "float" to the surface over time. The key benefit of the Eldan rasper to tire recyclers was that it allowed them to get the steel wire out of the tire, resulting in two products: rubber that could be further processed and a very high-tensile steel product that could be recycled.

In April 1995, Wendt built a portable rasper system using an Eldan Heavy Rasper and a "Super Chopper" and displayed it at the American Retreaders Association (ARA) Tire Recycling Show in Louisville, Kentucky. It was here that Wendt introduced the rasper to tire recyclers. Wendt designed the system, built it on two tractor-trailers and demoed it during the trade show.

Portable "Super Chopper" system shown at the ARA show in Louisville, KY, April 1995.

JINDO, SOUTH KOREA

In 1997, Wendt supplied a complete tire recycling plant to the South Korean government that was installed at Jindo, Seoul, South Korea. As part of this project, Mike Woodward traveled frequently to South Korea for six months to supervise the installation and commissioning of the plant. The Jindo sale was Wendt's first large project in Asia.

END OF THE ORIGINAL AGENCY STRUCTURE

By the mid-1990s, Wendt was fully established as a manufacturer. The Wendt name stood for high-quality innovative equipment and processes that helped customers in the scrap metal processing industry create more value. While Wendt had become heavily vested in in-house design and manufacturing, its former core activities of rebuilding D&J machines and selling products made by its European distribution partners became less prominent.

1995 saw the end of the original agency and distributorship structure that had given Wendt its original product portfolio. The fact that Wendt was no longer the Henschel agent and distributor of Moros and Bronneberg equipment in North America was probably the strongest expression of how much the company's focus had changed.

The need to bring clarity to the Wendt brand in the marketplace played a key role in the process that led to the end of the original agency and distributorship structure. Thomas reflects: "We had a great variety of products. At some point we maybe had too many. We were trying to be the single source for recycling equipment, and we truly were. We had this product from the Netherlands, that product from Spain, another product from Germany, plus equipment from France and Belgium. It got convoluted pretty quickly and it was somewhat confusing to the market."

Looking back, Wendt is grateful for the trust its European partners put into the company by making them their North American agent and distributor and for the many opportunities this helped create. In spite of the termination of the original distributorship agreement, Wendt's relationship with Moros continues today under the leadership of Tom Wendt Jr. and Miguel Clavel's son Marcos. Moros manufactures Wendt's modular Model M6090 shredder under license in Spain while most recently, Wendt has sold multiple Moros balers in North America and England.

This page and opposite page: Inside views of the Tire Recycling Plant manufactured and installed by Wendt Corporation for Jindo America, Inc. in Seoul, Korea.

CHAPTER SEVEN

Building a Company on Values and Principles

Wendt employees out front of the Military Road facility.

Thomas Wendt's values as a person and an entrepreneur are the backbone of how Wendt Corporation conducts business. From the start, it was imperative to Thomas that Wendt be an ethical company—a company that is known for being honest, truthful and built on integrity. Many of the key value-based principles applied to the company are a reflection of the lessons Thomas learned from his father, Will Wendt. It was from Will that Thomas developed his work ethic and learned that the only way to succeed was through hard work. Thomas's core values have expressed themselves over the years in sayings he is known for in and around the company, as well as in unwritten rules and imperatives everyone at Wendt knows and respects. Together, they reflect the founder's ambition to build a world-class manufacturing company that adheres to unshakable principles and that is professional and cutting-edge. The outcome is a culture defined by integrity, responsibility, innovation, and the collective drive to succeed and grow.

BUILDING A BUSINESS OF INTEGRITY

"Do what you say you are going to do" and **"Never ask an employee to do something that you wouldn't do yourself,"** are key principles that speak to the central role of integrity in business. **"Greed and revenge have no place in business,"** further reflects Thomas's belief that a deal has to be beneficial for all parties involved to constitute good business practice. Companies need to make a profit to maintain positive cash flow and growth, but if the goal is "to make a killing," this tips the scale one way to the disadvantage of the other party. By the same token, revenge in business speaks of the lack of character and integrity.

"Don't negative sell," reflects Thomas's conviction that the equipment Wendt manufactures needs to stand on its own and that the sales process has to be built on the same level of integrity as any other function in the business. Consequently, Wendt sells its products based on their own merits. Part of that principled approach is that customers need to be able to trust the information they receive during the sales process. As a matter of principle, the sales team is trained to not guess when asked a question to which they do not know the answer. Instead, they are expected to tell the customer that they do not know but will look into it and get back to the customer once they find the answer.

"If you are not going to do it right, don't bother doing it," is Thomas's key imperative for quality work, perfection and for being demanding. By his own admission, Thomas is a "quality fanatic." This is directly derived from his father, Will Wendt, who was known for saying, "If you're going to take the time to do it, do it right." Thomas's related saying **"As good as you can do it—and better than what anybody else is doing,"** applies to the notion of striving for perfection in a competitive marketplace. **"No one comes to work to get hurt"** and **"No one is paid enough to get hurt,"** are direct expressions of Thomas's unconditional commitment to safety in the workplace. Over the course of four decades, Thomas has always directly intervened when noticing any unsafe practice or behaviors in the plant. On the equipment side, the machines Wendt produces for its customers are powerful and heavy and very unforgiving if operated in an unsafe manner. Having been in the industry for decades, Thomas has heard of many accidents in the field and in scrap yards, which has only reinforced Wendt's ongoing commitment to safety.

CREATING AN INNOVATIVE BUSINESS AND A CULTURE OF INNOVATION

As a matter of principle, Thomas has always made it a point to invest in people and mentor them so that they could problem solve and create solutions on their own. The flipside of this approach is that Thomas has always expected employees to take the initiative, be creative and take responsibility. In that, he has created an entrepreneurial environment characterized by constant challenges and the expectation of

competence. As Brian Canham explains, "There are always new challenges. No matter what you have learned, you're always saying: 'I've never run into that before. ' That's why I stayed."

Mike Woodward remembers Thomas teaching him how to rebuild pumps and troubleshoot hydraulics in the early days of the company. "I had a natural curiosity; he saw that and absolutely poured knowledge into me," Mike explains. Part of Thomas's philosophy was asking the question but then letting employees figure the answer out themselves. Mike Woodward elaborates: "He put me in situations where he could have just given me the answer. Instead he said, 'Why don't you go there and figure that out. I'm pretty sure I know what it is but I want you to do it yourself.' He would not just hand you the answer."

When hiring, Thomas was not looking for "yes men," but instead wanted creative minds and people that had an ideas they could support. Key to building a culture of innovation was having a team of people who thrived on challenge and could operate in an environment characterized by the expectation of competence. Micki Trinkwalder explains: "Thomas is a go getter. He won't ever give up. He always figures out a way to make things happen. He's kind of aggressive in knowing what he wants and he's just got to figure out a way to do it. He instills that in the employees too. He challenges employees to be better, faster and stronger at what they do."

Mike Woodward explains the centrality of the expectation of competence in the Wendt culture of innovation: "Expectation of competence means that if you have an opinion you have to be able to back it up. You don't just say: 'I think'—there has to be a reason for why you think something. You should know what you are doing and why you're doing it all the time. That expectation of competence is probably the number one reason why we're in a building this big when we started in something the size of our current office space. People will work to your expectations just like on a sports team. If the coach doesn't demand performance, then he doesn't get performance."

"Think of it as your own money," speaks to Thomas wanting employees to be self-responsible. Brian Canham explains: "One of the things that Thomas taught me was: 'just think of it as if it were your money.' Make the decision, but think of it as your own money."

A reflection of the innovative spirit of Wendt, there is an understanding that mistakes can happen in an environment where employees are expected to be creative and take ownership. At the same time, the Wendt culture of innovation includes the expectation that people will learn from their mistakes and will not make the same mistake repeatedly. This expresses itself in Thomas's saying, **"If you make a mistake, we'll talk about it. If you make the same mistake a second time, we'll discuss it in detail. If you make the same mistake a third time, your employment here has just been terminated."** The saying, **"Your heart was in the right place, you just didn't bring your brain to work that day,"** is an expression of not faulting someone who has tried really hard believing they were doing the right thing but that did not produce the expected result.
As an employer, Thomas has been known as being demanding, yet willing to listen and give recognition where recognition is due. Micki Trinkwalder elaborates: "Thomas had no problem saying: 'Mike came up with this great idea, or Micki decided to do this.' He had no problem with showing where the idea came from." The saying, **"Don't ever say: 'It's not my job,'"** comes from starting out as a small entrepreneurial company where everybody had to step into different roles as needed. Thomas's approach to building an innovative company fed into the natural curiosity and creativity of people who were willing to step up, grow and take responsibility. On the other hand, people who could not operate in this kind of entrepreneurial environment did not stay for long.

Together, the founder's values, principles and thousands of decisions made over time have resulted in a core team of employees who share the collective drive to succeed. Micki explains: "Mike Woodward, Bill Close, Joe Bertozzi, Brian Canham and many others—they all want to see the company grow. They all have that drive within them to do their best. The culture has been to succeed. Everybody has had that drive to be better and succeed and it all came from Thomas. He instilled that in people. Everybody wanted to put their name on it and take ownership for their contributions. Everybody knew that Thomas was very driven and had the vision. We all wanted to show him that we could step up to the plate and be proud of it at the same time."

Will Wendt helping out in the machine shop at Industrial Drive.

BUILDING A PROFITABLE AND SUSTAINABLE BUSINESS

In building the company, Thomas was driven by the goal to make Wendt profitable and sustainable in the long term. **"Watch the pennies and the dollars will take care of themselves; collect your receivables; and make a profit on every job we do,"** is what Joe Bertozzi refers to as "the Wendt MBA." It was what Thomas told him on the first day of work when he joined the company back in 1987. **"If you don't know your cost, you're driving at night at 100-miles/hour with your lights off,"** is a reflection of Thomas's conviction that a business that does not know its costs is not sustainable and ultimately doomed to fail. **"There's no neutral in business. You're either moving forward, or you're moving backwards,"** is Thomas's comparison of a business to a diesel engine. "A diesel engine doesn't coast. In business, you move forward, and if you're not moving forward you're moving backward, whether you think so or not," Thomas concludes.

CHAPTER EIGHT

Driven by Innovation

Tom Wendt Jr.'s 1st machine sale to Manth Hauling in PA.

MOVING TOWARDS BECOMING A SHREDDER MANUFACTURER AND AN EXPERT IN NON-FERROUS SEPARATION SYSTEMS

Based on his understanding of where the scrap metal processing industry was going, Thomas's vision from the mid-1990s onward was for Wendt to become a shredder manufacturer. At the same time, Wendt would continue upgrading the non-ferrous separation process that had started with the EddySort line. In pursuit of this larger vision, Thomas kept a close eye on emerging technologies while considering the possibility of partnering with an already established shredder manufacturer. In 1998, through an asset purchase agreement with Sunbelt Technologies Inc., Wendt would achieve its goal of being a shredder manufacturer. The beginning of Wendt's ongoing technology partnership with SSE/CommoDaS/TITECH/TOMRA three years later, in 2001, would mark a key stepping stone towards becoming a market leader in non-ferrous metal separation and sorting systems and processes.

THE SECOND GENERATION OF WENDT FAMILY ENTREPRENEURS JOINS THE BUSINESS

In March 1997, after graduating from the business program at Canisius College in Buffalo, New York, Thomas's son, Tom Jr., joined the company full-time. Like his father, Tom Jr. had been exposed to the business from early on. His childhood memories include cutting the lawn, as well as cleaning and painting machines at the Industrial Drive facility. While he was in high school, he swept the floors and cleaned the burn table slag at the company's second location on Military Road.

LOGGER BALERS FROM ITALY

Between 1997 and 2002, Wendt distributed imported logger balers from several Italian companies. This included being the North American distributor of portable logger balers designed and built by Ing. Bonfiglioli from 1997 to 1999. Part of Thomas's memories of many trips to Europe is a visit to Italy and having dinner at Enzo Ferrari's restaurant and private dining room, across the street from the Ferrari factory in Modena, together with company owner, Mr. Bonfiglioli.

Bonfiglioli Shear sold by Tom Wendt Jr. to the grandfather and grandson team at United Processing, Virginia - 1998.

Top image: Tom Wendt Jr. in the early 1980's standing next to a remanufactured alligator shear at Industrial Drive.

Bottom left image: Tom Wendt Jr. beginning his career at Wendt Corporation.

Bottom right image: Tom Jr. at a trade show in 2000.

Mike Woodward's 1997 welding demonstration for Tom Wendt Jr.

Five years prior to joining the family business full-time, in March 1992, Tom Jr. had started at Wendt part-time, learning the business from the ground up. During his four years of college, 1993 to 1997, he gathered practical experience in a different part of the company every summer: from the shop through purchasing, customer service, engineering and sales. Thomas followed his own father's approach in making sure that Tom Jr. was exposed to the various aspects of the business. This included learning about the larger industry: in 1993, Tom Jr. attended his first ISRI Convention in Orlando, Florida and has been to virtually every industry convention since then.

When Tom Jr. joined the company full-time in March 1997, his first area of responsibility was in sales. Thomas put his son in charge of selling the Bonfiglioli product line before moving him to the Eldan product line and Wendt's sales in the tire recycling market. Selling imported equipment was an excellent learning experience as it exposed Tom Jr. to import and export regulations, currency exchange and many other subject areas related to doing business in an international marketplace.

Sales came naturally to Tom Jr. going all the way back to his childhood days. Thomas remembers his son selling pinecones to neighbors, going door to door, when he was five years old. Micki Trinkwalder shares the memory of him as a teenager selling baseball cards to a Wendt employee who was a collector. It was not a coincidence, but a reflection of his natural interest and passion, that Tom Jr. came up in the company through sales. In that role, he would quickly become a key contributor to the growth of the organization.

Top image: Thomas Wendt handing out rewards at the summer picnic.

Middle left image: Tree planting ceremony at Military Road on Earth Day with Town of Tonawanda officials - 1995.

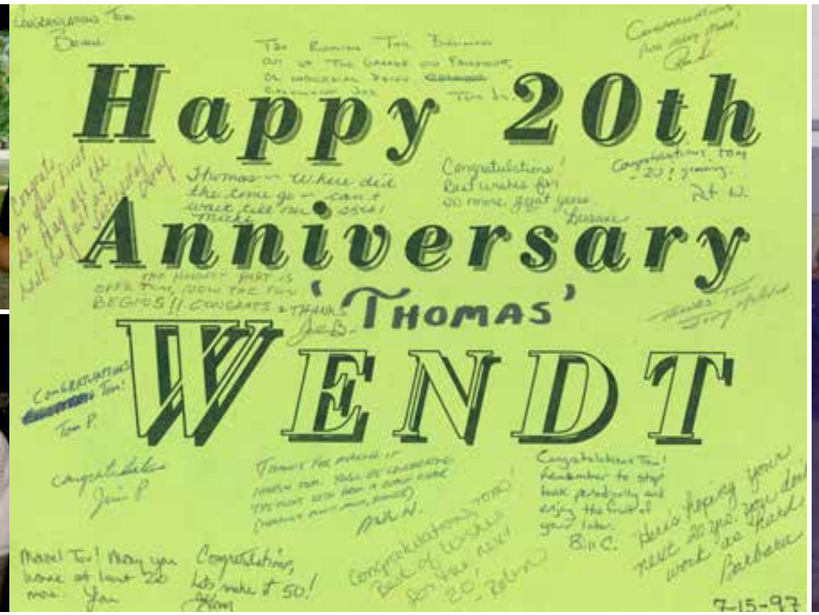
Middle right image: 1997 Wendt Christmas party.

Bottom image: 1996 Christmas party.

EVOLVING WENDT COMPANY CULTURE AND EMPLOYEE SOCIAL ACTIVITIES

As the company kept growing throughout the 1990s and with the number of employees reaching 75 by 1997, HR at Wendt took on additional roles in organizing employee social activities and involvement in the community. Among the growing number of employee social events were summer picnics, a summer and a winter luncheon, Christmas parties, and occasional happy hour get-togethers after work. To accommodate the larger number of employees and their families, picnics were held at amusement parks such as Darian Lake or Fantasy Island. For several years, Wendt also had its own employee volleyball team called the Wendt-Lets. The tradition of summer picnics, summer and winter luncheons and the Wendt Christmas party continues to this day.

A reflection of the much larger size the company had become, Wendt created an employee handbook and implemented a drug testing program. A company newsletter called the "Wendt Scrap Press" was launched in the Spring of 1995. Put together by Micki Trinkwalder, it kept the members of the growing Wendt community abreast of new developments in the industry and at Wendt. Company involvement in the community included an Open House at the Military Road facility, support for charities and families in need in the Buffalo area around Christmas, and other fundraising initiatives, such as participation in a local fundraising event for leukemia support. The tradition of supporting community initiatives continues today through events such as the charity golf tournament where employees' contributions are matched by the company.



Top right image: Luanne Monette receiving her traditional employee Thanksgiving turkey from Thomas Wendt.

Bottom left image: Employees at the 1997 summer picnic.

Bottom right image: Doreen and Katherine Wendt at a company summer picnic.

BECOMING A SHREDDER MANUFACTURER

By the mid-1990s, becoming a shredder manufacturer seemed to be the next logical step in the evolution of Wendt, as the company was already supplying complete systems to the shredding industry—everything but the actual shredding mill. Having its own shredder mill would enable Wendt to provide customers with complete turnkey shredding plants coupled with its existing line of infeed conveyors and downstream ferrous and non-ferrous separation systems. From a sales perspective, not being a shredder manufacturer posed certain challenges. It meant that Wendt had to break the sale apart as customers would have to purchase the mill elsewhere when buying a new integrated processing system from Wendt. Even though Wendt had been successful in selling systems without the shredder, these were "tough sales," as Thomas remembers, because customers' natural inclination was to buy the infeed and downstream from the same company that manufactured their shredder.

Becoming a shredder manufacturer was a big step that required careful planning because the cost of entry into this market was very high. Furthermore, Wendt would have to compete with established manufacturers that had been in the shredder manufacturing business for many years. It was imperative for Wendt to get it right the first time because if Wendt brought a shredder to market that needed a lot of modifications after it was installed, this could negatively affect its reputation in the industry. Driven by the desire to close the gap in its product lineup, Wendt began talking to several established shredder manufacturers to explore the possibility of marrying their shredders with Wendt's existing product lines.

Wendt was determined to only enter the shredder market with a shredder that would stand up to its intended heavy use. Once the decision was made to become a shredder manufacturer, Mike Woodward began looking at shredders at customers' yards more intently to determine the strengths and weaknesses in existing shredder designs. "I saw the problems with different machines and started thinking about what would be required for it to be better," he reflects.

One of the shredder manufacturers Wendt had initiated conversations with as part of the exploration process was Sunbelt Technologies Inc. Headquartered in Dallas, Texas, Sunbelt was owned by Jim Thompson and Terry Coker. After looking at different options, Wendt concluded that the Sunbelt shredder corresponded with what the Wendt team, through observation and analysis in the field, had identified as the right shredder design for heavy use. In June 1998, Wendt signed an asset purchase agreement with the owners of Sunbelt that gave Wendt ownership of Sunbelt's Model 120 shredder mill design including rotor and castings.

A month prior to finalizing the asset purchase agreement with Sunbelt, in May 1998, Wendt sold its first-ever complete shredding plant, consisting of the infeed conveyor, the shredder mill and the complete downstream separation system, to Gershow Recycling in Medford, Long Island, New York. The sale of this 6,000 horsepower Model 120 shredding system was worth $3.3 million dollars. Marketed as the Sunbelt-Wendt Super 120, it was one of the biggest systems in the industry at the time.

The Gershow sale helped Wendt establish instant credibility as a shredder manufacturer. Ownership of Sunbelt's line of shredders and super shredders put Wendt on equal footing with the other shredder manufacturers in the market. The Gershow facility instantly became a reference plant for Wendt—Tom Jr. states that dozens of prospective customers visited the plant between 1999 and 2001 to see the first Wendt shredder in operation. Prior to the Gershow plant, Wendt had built two replacement shredder mills, one for Waco, Texas, and the other for Behr Iron & Metal in Beloit, Illinois. In contrast to the Gershow plant, however, these projects had only been for the mills but not for a complete system. Since installing the first complete shredder system in 1998, Wendt has continued to do large projects with Gershow, who remains a very good customer of Wendt's to this day.

The first shredded scrap produced at Gershow Recycling - Wendt's first fully manufactured shredding plant.

6,000 hp Model 120 Shredder at Gershow Recycling in Medford, Long Island.

The WENDT Service Trucks, 1997-1999.

THE WENDT SERVICE DEPARTMENT

Between 1997 and 1999, Wendt had its own on-site service department that consisted of four fully-equipped service trucks. Its purpose was to install and service the machines Wendt manufactured. Wendt was wrapping up the Jindo project in South Korea and was in talks with Sunbelt when the decision was made to launch a service department to service its new shredder mill business. Based out of Pennsylvania and consisting of four employees, the new field service department was "a management nightmare," as Joe Bertozzi remembers. The department turned out to be a short-lived experience—the trucks were sold and the department was shut down right after the Gershow installation was completed.

Typical Wendt Corporation Rasper installation at a tire recycling facility.

TIRE RECYCLING EQUIPMENT HELPS WENDT NAVIGATE DIFFICULT TIMES IN THE SCRAP METAL PROCESSING INDUSTRY

Wendt was well positioned in the late 1990s. The Sunbelt-Wendt shredder had closed the only remaining gap in Wendt's comprehensive product line and, with 75 employees in 1997/8, Wendt had become a significant player in the market. With Wendt experiencing a period of growth, it was easy to forget that the scrap market is cyclical by nature and that every high is followed by a low.

In 1998/9, the market for scrap crashed and flatlined for several years in a row. The scrap market is a commodities market that is priced in U.S. dollars. A strong dollar was a major contributor to the challenges faced by the scrap industry during the downturn of the late 1990s. When the U.S. dollar is strong commodity prices are low, making North American scrap less competitive overseas. As it became less economical to produce scrap in North America, scrap processors stopped buying new equipment, causing the equipment market to crash as well. It was not until 2003 that the market would rebound and demand for new equipment would pick up again.

Faced with one of the most dramatic drops in demand in the history of the company, Wendt had to lay off many of its employees. Fortunately for Wendt, it had diversified into tire recycling equipment, a market that was not affected by the crisis impacting the scrap metal industry. Tire recycling equipment gave Wendt an alternative product line that partially counterbalanced

TWB-8 Tire Wire Baler.

the cyclical nature of the scrap metal industry. Everyone at Wendt is quick to note that if it had not been for the Eldan machines and Wendt's other tire recycling equipment, the company would have had serious problems.

Led by Tom Jr., the Eldan line afforded Wendt the ability to keep key people employed and refocus them on serving the needs of tire recycling plants, which was an emerging market. The same strong dollar that negatively affected the North American scrap processing industry made Wendt very competitive in importing the Eldan equipment from Denmark and incorporating it into larger tire recycling projects.

The Eldan rasper was the most popular product that drove a lot of business at the time. Over a five-year period Wendt sold over forty projects that included the rasper. Tom Jr. explains: "We had a good product and we had an emerging market—we were selling project after project. They weren't huge projects but they were enough to keep the engineers and the remaining guys in the shop busy."

At first, Wendt did little manufacturing and mostly sold the popular Eldan rasper to tire recycling customers in North America. When faced with growing demand for complete tire recycling plants, Wendt adjusted its approach to purchasing key machines from Eldan and combining them with its own in-house manufactured system components, such as Wendt's Tumbleback feeder, magnetic separation equipment, electric controls, etc. A large plant for Maryland Environmental Services in Baltimore, Maryland marked a major milestone in being the first turnkey tire recycling project by Wendt. "Being manufacturers, we wanted to import the least amount of products possible and build as much as we could in-house," Thomas explains.

THE WENDT TIRE WIRE BALER CHANGES THE TIRE RECYCLING INDUSTRY

In 2005, Wendt invented a specialized high-pressure baler. Marketed as the Wendt Model TWB-8 Tire Wire Baler, the machine had a significant impact on the industry by turning tire wire into a new revenue stream for tire recyclers.

TOWARDS A CLOSER TECHNOLOGY PARTNERSHIP—SSE AND WENDT INNOVATE THE DRY NON-FERROUS SEPARATION PROCESS

In May 2001, Thomas was traveling in Europe again, looking for emerging technologies and potential technology partners that would allow Wendt to keep moving the industry forward. Building on the success of the EddySort and "SuperEddy" Systems, the goal was to further improve the dry non-ferrous metal separation process by mining the metal that the Eddy Current was missing. After the Eddy Current separated the aluminum out, a variety of metals remained in the ASR waste stream, namely stainless steel, die-cast aluminum, die-cast zinc, copper, brass, manganese and other materials used in the production of automobiles and household appliances.

The Eddy Current had marked a major step in technology advancement, yet there was a need in the market for further non-ferrous separation. Every time shredder operators were able to recover another metal from the waste stream, it gave them a product that could be sold separately. At the same time, it made the remaining mix a higher grade, thus resulting in a higher sales price. Hi-tech non-ferrous downstream separation systems would be the answer for the industry's growing demand for higher-grade non-ferrous materials.

While in Europe in 2001, Thomas learned through Mike Beven, a former Manager at Mayer Parry in England, that a company in Germany had developed a new dry non-ferrous separation technology. Thomas flew to Germany to see the equipment and introduced himself to SSE (Separation Systems Engineering GmbH), a small engineering company with a test lab, in Hamburg-Wedel, Germany.

Located in a World War II-era building that Thomas remembers for its thick bunker-sized walls and a one-person elevator that looked like it was taken straight from an old movie set, SSE demonstrated a machine called the FINDER that could separate stainless steel from a mix of non-ferrous metals. SSE's FINDER technology in those days consisted of a high-speed conveyor belt with very sensitive metal detectors. Thomas saw great potential in the application because by removing the stainless steel from the non-ferrous mix, it addressed a real challenge scrap processors were faced with at the time. Smelters were reluctant to buy product that possibly contained stainless steel because stainless steel does not melt when put into a non-ferrous smelting furnace.

Two months after visiting SSE in Germany, in July 2001, Wendt became the North American distributor of SSE's dry non-ferrous separation technology. Having gone through many upgrades and technology advancements since then, the FINDER has remained a key piece of equipment that continues to drive growth at Wendt to this day. SSE subsequently went through a series of ownership changes, becoming CommoDaS GMBH before being

purchased in 2006 by Tomra Systems ASA, Norway (TOMRA), through its fully-owned subsidiary TiTech Visionsort (TITECH). TITECH is known for its world leadership in optical recognition and sorting of used household packaging whereas TOMRA is the leading global provider of advanced solutions for the recovery and recycling of used materials in a great variety of industries. Within that changed structure, the relationship with SSE started a multi-stage process of Wendt designing and refining the dry separation process in close cooperation with its technology partner. At the present time, Wendt purchases TOMRA's technology packages and incorporates it into its own machines, as well as standalone machines developed at TOMRA's state of the art Test Center in Koblenz, Germany.

TESTING CUSTOMER MATERIAL IN THE PARKING LOT—THE BEGINNINGS OF THE WENDT TEST CENTER AND MOVE TOWARDS BECOMING AN ROI-DRIVEN SALES ORGANIZATION

In 2001, when Wendt and SSE created their technology partnership, dry separation technology was still in its infancy. SSE had innovative, potentially market-changing technology, but no reference plant for demonstrating its capability or data on how much material its prototype machines could process and separate. Determined to test the equipment under real production conditions, Wendt purchased SSE's Metal-X FINDER and set it up in the parking lot of its Military Road facility. There, Wendt began optimizing the process using SSE's down-firing Metal-X FINDER together with its own Tumbleback feeder.

The setup in the parking lot marked the beginning of the Wendt Technology Center, which in a different format and on a much larger scale has remained a key differentiator for the company to this day. It was a monumental step in setting Wendt on the course towards becoming a Return on Investment (ROI)-driven sales organization. The Test Center allowed Wendt to run the equipment under real operating conditions with scrap material supplied by customers. With that material, Wendt could now generate data to show customers exactly what the equipment could do for them. Customers would learn how much product it would create from the processed tonnage—in short what their actual ROI would be. Bill Close, who has been instrumental in this process, explains: "We had approximately fifty different customers come with truckloads of material to process. The primary target was the recovery of the stainless steel to replace the hand pickers on the line."

When Wendt started running truckloads of customers' material through the separator, to everyone's surprise, the stainless steel separating technology did not work at first. Unlike in SSE's test lab, where the material had been washed by going through a sink-float plant first, the truckload material Wendt processed contained a different mix of materials. While investigating the reasons why the technology did not work with material that came straight from the scrap yard, the Wendt team realized that the machine's metal detectors were picking up rust dust from the shredding process that was contained in the material mix. This realization started a process of learning and constant improvement. Thomas explains: "We played around with it for probably a year. We put on magnetic separation to get the rust dust out, but now we still had the dirt. Then we put in

The First full scale FINDER test plant at Military Road in 2003.

The second–generation FINDER plant shipping from Military Road.

a square screening and sizing trommel, and we sized the material from three-eighths of an inch to 2 inches. Everything larger than that size can be reshredded whereas everything under it has little market value. We narrowed the range, so now we could set the machine more precisely. We basically invented a process and then optimized the machine."

Through constantly fine-tuning the process, Wendt could not only prove that the technology worked but that it resulted in the recovery of more and different metals. With the information gained through mass balance analysis, Wendt began building a database of the spectrum that was typical in the industry and started comparing individual customers' recovery rates with that data. Today, being a data-driven company that can demonstrate the exact ROI for each customer is a key contributor to Wendt being the industry standard in separation systems. "Bill Close was vitally important in that journey, and still is," Thomas is quick to add.

2001-2003: SKIP ROUSTER, PRESIDENT OF WENDT CORPORATION

In 2001, Skip Rouster became President of Wendt Corporation. As former VP of Operations at David J. Joseph Company and then former VP at Recycling Industries in Denver, Colorado, Skip was well connected in the industry, personally knowing many scrap yard operators across the country. Skip joined Wendt at a time when the much larger size of the company required a reorganization of its management structures and processes. Skip's background in the management of larger companies with hundreds of employees allowed him to apply his corporate experience to his new leadership role at Wendt. Bringing in Skip as President started the shift from an entrepreneurial to more of an enterprise model that has since continued under the leadership of Tom Wendt Jr. Skip did a lot of networking, opened doors and planted many seeds during his tenure as President. Those who worked with him at Wendt remember him as a great mentor. After Skip left Wendt in 2003 to become President of Metal Management Inc.'s Midwest operation in Chicago, many of the seeds he had planted at Wendt would grow into projects. Thomas remembers Skip, who passed away in 2007, as a personal friend and someone who has made a lasting impact on Wendt.

Top and bottom image: 8,000 hp Model 130 HEAVY shredder at EMR in Camden, NJ.

WENDT Model 130 HEAVY Shredder installed at Metal Management in Newark, NJ.

THE LARGEST SHREDDER IN THE WORLD—THE WENDT HEAVY SHREDDER PRODUCT LINE GIVES SHREDDER OPERATORS A COMPETITIVE EDGE IN A BOOMING SCRAP MARKET

Following the cyclical downturn of the late 1990s and early 2000s, the scrap processing industry recovered. 2003/4 marked the beginning of a dramatic upswing that would drive Wendt's growth through to 2008. Demand during this ensuing boom period was mainly driven by China. As China was quickly becoming the world's largest exporter of manufactured products, it needed huge amounts of steel. The North American scrap processing industry benefited from the pent-up demand while China's hunger for steel and non-ferrous metals drove the price for recovered metals to new heights.

Wendt was ready to serve the needs of this booming market. In 2004, it launched its new HEAVY Shredder product line that provided large automobile shredder operators with a high-volume machine for processing large amounts of scrap. That same year, in November 2004, Wendt sold its first Model 130 HEAVY Shredder equipped with an 8,000-horsepower motor and complete shredder downstream system to Camden Iron & Metal in Camden, New Jersey. In contrast to the 1998 Sunbelt-Wendt shredder that had marked Wendt's entry into the market as a shredder manufacturer, the HEAVY Shredder for Camden Iron & Metal was the first Wendt shredder completely designed and built by Wendt. With 1,255 lb. hammers and a 130-inch hammer swing, the Model 130 HEAVY Shredder was the most powerful shredder offering more striking force than any shredder available in the industry worldwide.

Base weldment of the first Wendt Corporation Model 130 HEAVY Shredder for Camden Iron and Metal in Camden, NJ.

Wendt Corporation Model 130 HEAVY shredder installation at Camden Iron & Metal in Camden, NJ.

As with so many other projects, Wendt developed the HEAVY Shredder line on concept. Camden Metal wanted a bigger and better shredder that would give them a competitive advantage in the market. Being an engineer, Thomas analyzed standard mill sizes as well as the size, tip speed and striking force of the hammer in each of Wendt's competitors' machines. Industry standard were mill sizes of 60, 80, 98 and 120. Thomas concluded that a HEAVY Shredder line of 60, 82, 106 and 130 was mathematically more progressive and made more sense from an engineering point of view. The range of 60 to 130 inch mills would give shredder operators the ability to process from 40 to 400 tons per hour of automobiles, industrial scrap, appliances and white goods.

The unique design of the Wendt HEAVY Shredder product line was an expression of Wendt doing things differently. At the heart of it was Thomas's core philosophy of doing things "as good as you can do it—and better than what anybody else is doing." In addition to providing operators with the benefits of having a shredder that is bigger and more powerful, the different design, profile and look of the Wendt HEAVY Shredder was intentional from a marketing and branding perspective as well. "If you look at our mill, you can see from four hundred yards away that it's a Wendt mill. It has a different shape and it functions differently. That was intentional," Thomas explains.

In a booming market environment, Wendt's high-capacity HEAVY Shredders were what the market needed. Wendt ended up building five 130 inch HEAVY Shredders—the largest shredders in the world—and other large HEAVY Shredders. The five 130 inch shredders were manufactured from 2005 to 2009 and drew a great deal of interest from within the industry. In addition, "The largest shredder in the world" manufactured by Wendt was featured in a special production by the History Channel, as part of its Modern Marvels series.

The 2003 to 2008 boom cycle that established Wendt as a HEAVY shredder manufacturer saw the company's revenue dramatically increase every consecutive year for four years to over 80 million dollars. Corresponding with rising demand for its products, Wendt employee numbers grew from 50 people in 2003 to over 100 in 2008. Although Wendt sold a number of non-ferrous separation systems with the TITECH

Top and middle left image: Thomas during his first China Foundry Trip - June 2005.

Bottom right image: Second China Foundry Trip - June 2006.

Bottom left image: Third China Foundry Trip - November 2008.

FINDER technology during these years as well, the exponential growth was mainly driven by the Heavy Shredder product line.

These were extremely busy times as Wendt continued developing new products as part of ongoing projects. Tom Jr. remembers: "We were selling ideas and doing the product development work during the project. We had enough engineering to sell the concept but we were certainly not selling a fully-designed product. We did not have the infrastructure to tell us that we could actually get it done on time. We did not have time to prototype—we were designing and delivering product and testing it at the customer's site. There was some risk-taking involved and it was the hard work and dedication of our people that enabled us to deliver on our promises. In those days, we weren't always on time but we made it right and ended up with happy customers."

BECOMING A CASTINGS SUPPLIER

Due to their self-consuming nature, shredders use a lot of wear parts with liner and hammer castings, in particular, having to be replaced in some machines on a daily basis. Following three trips by Thomas to China in 2005, 2006, and 2008 to source suitable foundries, Wendt became a supplier of castings manufactured in China. In that capacity, Wendt began importing multiple container loads of manganese steel castings a week and has since added a second foundry producing castings for Wendt's North American market. As a supplier of castings, Wendt offers a complete line of custom-designed castings and wear parts to scrap metal shredder operators of Wendt shredders as well as all non-Wendt manufactured shredders.

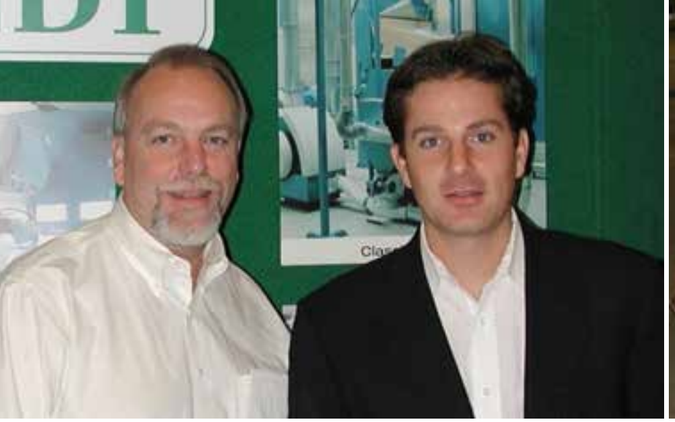
AN EXPERT IN AUTOMOBILE SHREDDING TECHNOLOGY AND PROCESSES

By the mid-2000s, Wendt was heavily invested in all aspects of automobile shredding, having established itself as a shredder manufacturer and specialist in non-ferrous sorting and separation processes. As an equipment supplier to shredder operators, Wendt was benefitting from a huge upswing after having weathered a major downturn in the scrap market. Building on Thomas's vision, Wendt—together with its key technology partners—would go on to pioneer new methods for downstream systems while supplying the industry with right-sized shredders from the world's largest to modular designs suited for smaller operators. Wendt was well on its way to becoming known throughout the industry as a market leader and true expert in recovering the value from all shredder material streams.

Castings at one of Wendt's subcontracted Chinese foundries – ready to ship in 2006.

CHAPTER NINE

Gaining Market Leadership



Two generations of Wendt family entrepreneurs - Thomas and Tom Wendt Jr.

GRADUAL LEADERSHIP TRANSITION INTO THE SECOND GENERATION

By his own account, one of the reasons behind Thomas's entrepreneurship had always been to create an opportunity for his son. From early on, Thomas pursued the vision of eventually turning Wendt into a legacy business by transitioning the leadership to the next generation of family entrepreneurs. Since the mid-2000s, Thomas has executed his multiple-step plan around milestone birthdays. When Tom Jr. turned 30 in 2005, he became Executive Vice President and five years later, in 2010, he became President of Wendt Corporation.

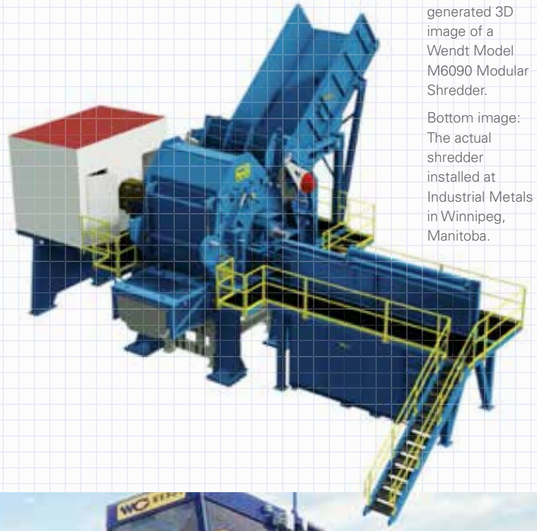
Beginning in the mid-2000s, Thomas gradually withdrew from his role in sales and day-to-day operations and in 2005, for the first time, began spending time away from the business. Leaving sales was a gradual process as many customer relationships had developed over decades and were built on strong personal relationships. Not surprisingly, many customers wanted to continue doing business with Thomas. As a result, Thomas's sales responsibilities decreased over time, as one long-time customer after another retired. Father and son continued to share responsibilities in the area of shredder sales until Thomas withdrew from this area as well.

Since his transition out of the day-to-day operations of the business, Thomas has taken on a number of special projects, such as the three trips to China that expanded Wendt into the casting business. Following that, for the next two years he looked for a suitable building for a new Test Center. Then between 2011 and 2013, he led the total renovations and finally the move of the company to its current location on Walden Avenue in Buffalo, New York.

Over the course of the last ten years, Thomas has continued to divide his time between New York and Florida. Today, Thomas looks at the business mostly from a financial perspective. He receives a financial report every day, reviews results and asks his son very targeted questions based on the company's performance. Tom Jr. explains the dynamics between father and son and their working relationship: "Now he is settling into that role that you want to have as Chairman. He is overseeing the business without the cloudy day-to-day influence. Just looking at results and asking questions based on results." Reflecting on his current role, Thomas shows a continuing strong attachment to the company he founded four decades ago: "Am I phased out? Not completely, but I don't think I ever will be. Am I going to walk out the door and not come back? There is only one way that will ever happen."

3D TECHNOLOGY REVOLUTIONIZES THE ENGINEERING AND SALES PROCESS

A new stage was reached in the mid-2000s when Wendt graduated from 2D to 3D technology, using AutoDesk Inventor 3D design software. 2D drawings that detailed all the dimensions for fabrication were now replaced by 3D models that are sent to the production floor in the form of electronic models, enabling the production team to look at as many dimensions as needed directly from the layout model. Introducing 3D software reduced Wendt's engineering labor by about a third. It further revolutionized the sales process by allowing Wendt to give customers the ability to review their plant design in an interactive 3D representation.

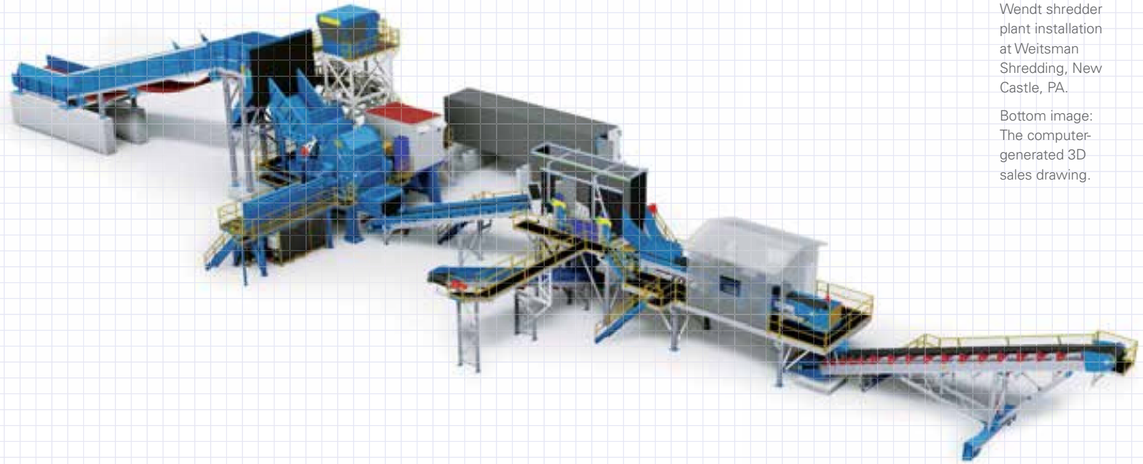


Top image: Computer-generated 3D image of a Wendt Model M6090 Modular Shredder.

Bottom image: The actual shredder installed at Industrial Metals in Winnipeg, Manitoba.

Top image: Computer-generated 3D design layout for a non-ferrous plant.

Bottom image: The actual plant at Weitsman Shredding, New Castle, PA.



Top image: Wendt shredder plant installation at Weitsman Shredding, New Castle, PA.

Bottom image: The computer-generated 3D sales drawing.

A BRIEFCASE FULL OF CASH

In March 2007, Wendt sold a remanufactured D&J Model 410 baler to a shredder customer in the Midwest. That particular D&J Model 410 baler holds a very special place in the annals of Wendt Corporation, as this was the last machine that Thomas had designed while working as a young engineer at D&J. It was also the same machine that Thomas had written the report on for Ralph Pinkert in 1979, only two years after founding the company. Wendt had purchased and remanufactured the machine prior to the March 2007 sale.

Aside from this being the second appearance of this particular piece of equipment in the history of Wendt, the 2007 sale occurred under very unique circumstances. Wendt Sales Representative Jim Armstrong and the customer had negotiated a special price for the rebuilt machine that was sitting in the Wendt parking lot ready to go to a new customer. Jokingly, Jim had told the customer that the price he had quoted was the cash price, meaning there were no payment terms.

To everyone's surprise, the customer showed up at the Wendt office with $187,000 in cash in a briefcase for the down payment. Thomas remembers what was arguably the most unique sales situation in the history of Wendt: "The customer showed up with $187,000 in a briefcase, all in 100 dollar bills. Our jaws dropped. Jim Armstrong said, 'I didn't mean to actually bring cash!' But when you said cash to an 80-year-old scrap dealer, it meant cash. We finished the deal, signed the contracts, and gave him a receipt for the cash deposit. I didn't have anything to put the money in except for a grocery bag from the supermarket so I piled the money in the brown bag, rolled it up, and carried it to my office. It weighed at least 20 lbs! It wouldn't fit in a drawer so I put it in the knee well under my desk and left it there over the weekend. Several days later, I walked into Joe Bertozzi's office with the shopping bag full of cash and said 'I think we should take this to the bank.' Joe said, 'There's no way I'm taking this to the bank. You want me to drive my car to the bank with $187,000 in cash?' And I said, 'Yes I do,' and so he did."

Since that cash transaction, the same machine has made a third appearance. After the baler sat for a year without being installed by the customer, Wendt bought it back for a second time, rebuilt it once more and resold it to a customer in Canada where it continues to operate to this day. In tying together the past and the present, this particular baler symbolizes the significance of the D&J legacy in the evolution of Wendt.

Opposite page: The D&J Model 410 baler Wendt sold in the 2007 cash sale to a shredder customer in the Midwest.

This page: The same baler being rebuilt and then installed in its final home at SLM Recycling in Welland, Ontario, Canada.

Rotors manufactured by Bowe Machine Company, Wendt's exclusive partner for shredder rotors.

SHREDDER UPGRADES AND SHREDDER OPTIMIZATION USING BOWE ROTORS

In May 2007, Wendt became the exclusive sales distributor for Bowe Machine Company's shredder rotors. Headquartered in Bettendorf, Iowa, Bowe is a family-owned and operated machining company specializing in shear blades and shredder rotors. Rotors gave Wendt a second avenue in addition to castings to serve shredder operators with wear parts that need to be replaced on a regular basis.

The relationship between Bowe and Wendt had started when, in 2006, Jim Armstrong of Wendt approached Ken Courvourst from Bowe about manufacturing rotors for Wendt. At the time, Bowe turned Wendt down because Bowe was building rotors exclusively for another equipment manufacturer. At the 2007 ISRI Convention, Tom Jr. met Simon Bowe. Knowing that Bowe's partnership with the other equipment manufacturer had come to an end, he asked Simon if Bowe would consider a similar relationship with Wendt. Initially they were reluctant, but eventually Bowe agreed. Tom Jr. reflects on the evolution of this significant relationship: "A big part of that was the trust that was established between Simon Bowe and myself. We had so many similarities and common interests. We are similar age and we both had two daughters at the time. We were both beginning to move into the operations of our respective companies. We shared golf as a common hobby and it has since become an annual tradition for us to play in member/guest tournaments together."

From a business perspective, Bowe wanted to focus on "making chips," that is operating a machine shop business while partnering with a Shredder OEM who could successfully promote their product as part of a larger product line. Both Wendt and Bowe have succeeded and grown as a result of their partnership, as Tom Jr. explains: "Through the Bowe relationship, we have sold spider rotor to disc rotor conversion packages to shredder customers. We've retrofitted existing shredder mills to our geometry, our rotor, and our configuration and substantially improved the performance of the machines. We are trying to sell know-how, having companies hire us to come and perform a shredder optimization evaluation. That usually results in a list of suggestions for improving their operation. We are absolutely moving in the direction of consulting to generate sales and shredder optimization is a part of that."

Since taking on the exclusive sales distributorship for Bowe Machine Company's shredder rotors in 2007, Wendt has sold over 200 rotors. Considering that there are roughly 290 shredders in North America, this equates to a market share of almost 70 percent for these consumable parts.

Jim Armstrong in front of a Model 130 HEAVY shredder spider rotor.

WENDT DURING THE 2008–2011 FINANCIAL CRISIS

In 2008, problems in the U.S. subprime mortgage market led to the busting of an $8 trillion housing bubble, marking the beginning of the "Great Recession"—the single-largest global economic crisis since the "Great Depression" of the 1930s.

Going into the recession, Wendt's order books were filled as the company was experiencing a period of sustained growth, which had made it a force in the shredder industry. Wendt was operating at full capacity, even experiencing difficulties in delivering projects on time due to the popularity of its machines and processing systems. When the recession hit, new sales came to a screeching halt. Tom Jr. reflects: "Business came to a stop. I mean literally the spigot shut off. We were doing parts business only. For nine months, there were no new projects." Faced with an uncertain future, the steel mills pulled back and the scrap processing industry went into a holding pattern as the price of scrap came down.

There were layoffs at Wendt to the effect that employee numbers went down to around 70 before gradually growing back to 110 by 2015. In retrospect, however, both the company and the scrap processing industry at large did much better during the 2008 to 2011 recession than during the downturn of the late 1990s and early 2000s. During the 2008 recession, Wendt only lost one project due to cancellation. Other than that, the fact that orders stopped coming in allowed Wendt to address its backlog and actually build equipment it had already sold prior to the recession.

Overall, the commodities-based scrap industry did relatively well during the 2008 to 2011 recession while many manufacturers went out of business. After an initial drop, the price for scrap recovered fairly quickly. The industry's ability to weather the storm had a lot to do with the fact that, in contrast to the crisis of the late 1990s when the dollar had remained strong, this time the dollar was weak, thus keeping North American processors competitive in the world market.

THE WENDT-TITECH/TOMRA TECHNOLOGY PARTNERSHIP CONTINUES TO GROW

As noted previously, the main purpose of refining the separation process during the early years of Wendt's partnership with SSE/CommoDaS was to recover pieces of metal, and stainless steel in particular, from the ASR waste stream. These were years of intense learning, data building and analyzing, testing of equipment and fine-tuning the separation process.

The aforementioned 2006 acquisition of SSE/CommoDaS through TITECH/TOMRA marked a new stage in Wendt's relationship with its technology partner as TITECH/TOMRA injected a large amount of resources into the technology development process. Tom Jr. explains: "TITECH/TOMRA brought money and know-how on the sensor side to the equation. As a result, the FINDER machine began to evolve into a more useful and precise tool."

Following the acquisition, TITECH Sales Manager Frank van de Winkel became embedded in the Wendt organization for two years. Working closely with the Wendt team allowed him to fully understand the problems Wendt wanted to solve for the industry. He took that information back to TICHECH/TOMRA, which incorporated Wendt's growing know-how on the process side into the FINDER product development process.

PROCESS DEVELOPMENT IN THE FIELD

Much of the process development for material separation using TITECH's technology was done in the field while Frank van de Winkel and Wendt's Sales Manager of Separation Systems Bill Close visited countless scrap yards across North America. Every time Bill and Frank visited a customer, they would tell the story of what the new FINDER technology could do and ask whether they could inspect the facility and sample some material. After handpicking samples, they would visit with the owner again and demonstrate what kinds of valuable non-ferrous materials were remaining in the material stream. Bill Close remembers: "Frank would say to me, 'Bill, this is R&D, this isn't sales.' And I said, 'Exactly!'" Merging process and product development with sales at this level was imperative for gaining a deep understanding of the value that remained in customers' waste streams.
Parallel-testing of material in test facilities in Germany with scrap shipped to Europe from North America further allowed Wendt to keep improving its processing techniques. It was this unique combination of field research, test center experience and the evolution of FINDER technology developed by Wendt's technology partner that made it possible for Wendt to become the industry leader in non-ferrous metal separation.

This and opposite page: Non-Ferrous Separation Systems utilizing TOMRA sensor sorting technology.

Complete non-ferrous separation and sorting system at Triple M Metals in Hamilton, Ontario.

BRINGING AN INDUSTRY TOGETHER

In 2007, Wendt was ready to share what the team had learned from analyzing waste streams and doing parallel testing in Germany. Prompted by TITECH and unprecedented in the industry, Wendt invited representatives from the largest scrap processing companies who operated multiple shredder yards to a brainstorming meeting to discuss best practices. The meeting took place at Wendt's Military Road location and included key technology people from TITECH/TOMRA from Norway and Germany. Although the participating shredder operators were competitors to one another, an open discussion about common practices and challenges in non-ferrous separation ensued. All industry representatives present at the meeting eventually purchased plants from Wendt based on its processes and technology. Tom Jr. reflects: "I can't think of another time when that was done in our industry. The fruit that was born from that meeting was outstanding. That was the pivotal point that led to the next boom. TITECH listened to our customers, listened to us, spent the money necessary to do the development, and was rewarded with hundreds of machines being sold."

6,000 hp Model 106 HEAVY Shredder at Votorantim in San Paolo, Brazil.

A WENDT HEAVY SHREDDER FOR VOTORANTIM METALS IN BRAZIL

In 2007, Tom Jr. received an email from Votorantim, a steel mill in Brazil that was interested in purchasing a shredder. Wendt sent them a catalog and quotation and then Tom Jr. went to Brazil with Valdemir Goncalves, Vice President of Sales at WEG Electric Corp., one of Wendt's suppliers of electric motors. Together, they visited Votorantim in Barra Mansa, about two hours from Rio de Janeiro. Votorantim purchased a Model 106 Heavy Shredder from Wendt. Built in Buffalo and then shipped in 60 sea containers to Brazil, it became Wendt's flagship installation in South America.

Sizing equipment preparing material for sorting (top image) and non-ferrous separation system installation (bottom image) at TJN Enterprises in Sioux Falls, SD.

EVERYTHING BUT THE INSULATED COPPER WIRE

By 2008, the separation process that Wendt had developed together with TITECH was so advanced that Wendt's systems were able to separate all the different metals in a shredder downstream with the exception of insulated copper wire. Wendt customers benefitted from the separation of stainless steel, zinc, aluminum, as well as red metals such as mixed copper brass, into furnace-ready products that could be sold directly to the foundries. Rerunning the copper brass allowed operators to further separate the material into copper and brass. Wendt's expertise in metal separation gave the company a competitive edge in the industry, putting it years ahead of the competition.

Non-ferrous separation and sorting system at Total Metal Recovery in Laval, Quebec, Canada.

QUANTUM LEAP IN SENSOR TECHNOLOGY LEADS TO THE RECOVERY OF WIRE FROM THE WASTE STREAM

The exact timing might have been a coincidence, but a quantum leap in sensor technology in 2008 further validated Wendt's approach of identifying leading technology and then working closely with its technology partner in improving the process and feeding the results back into product development. By going from a one bit to a twelve bit sensor coil, the new FINDER generation was able to manage significantly more information throughout the separation process. According to Bill Close, FINDER generation 3, which was released in 2008, was "the most significant evolutionary step in sensor technology that I have ever seen." Finally wire was efficiently recovered from waste in one pass and added to the zurik concentrate (mixed non-ferrous metal grade produced by the sensor process resulting in a predominately stainless steel mix).

POLYFINDER TECHNOLOGY TURNS INSULATED COPPER WIRE INTO A MARKETABLE PRODUCT AND MAKES WENDT THE MARKET LEADER FOR ADVANCED NON-FERROUS DOWNSTREAM SEPARATION SYSTEMS

The next stage in wire separation was reached when the Wendt team accidentally identified a process for extracting the insulated copper wire from the zurik concentrate. During a business trip to Germany with a customer, Tom Jr. and Bill Close had experimented in the lab to see if they could separate plastics using TITECH's infrared equipment developed for polymer recovery. After their return, Bill Close and Frank van de Winkel were reviewing the lab report when Bill realized that it was possible to recover insulated copper wire. "I refer to this as our Thomas Edison moment," explains Bill. "What we figured out was that if we used the plastic sensor and paired it with the metal sensor in our system, we would get two signals that said 'yes' and that way we could identify insulated copper wire." By accident, Bill and Frank had come up with the first insulated copper wire separation process in the industry.

Wendt and TITECH/TOMRA instantly realized how significant wire recovery would be to the industry. It only took the TITECH/TOMRA team four months from Bill and Frank's discovery to develop a commercial application that made the process available to scrap metal processors. Launched in 2009, the TITECH POLYFINDER converted the wire the FINDER recovered from the waste stream into a salable wire product. In a very short time, Wendt had leapfrogged the entire industry in terms of technology and process. Both Thomas and Tom Jr. agree that Wendt's industry leadership in this area would not have been possible without the ingenuity of Bill Close and Wendt's technology partnership with TITECH/TOMRA.

The timing of the launch of the POLYFINDER could not have been any better for Wendt. It hit the market at a time when the price for copper was at an all-time high, selling for four dollars a pound. The huge demand for copper was driven almost exclusively by Chinese manufacturers. With copper selling at record heights, keeping this material out of the landfills promised a great return on investment for shredder operators.

As the only equipment provider that could isolate copper from the ASR "fluff" at the time, Wendt benefitted greatly from processors' growing demand for copper separation equipment. Correspondingly, sales doubled year after year as the industry adopted Wendt's copper wire separation process as the new standard. Between 2008 and 2013, Wendt sold hundreds of machines and did dozens of large downstream separation projects with the biggest names in the industry. Whereas in the past a shredder downstream might have consisted of only two separators, these projects typically involved up to ten separators. As of 2017, Wendt has supplied the market with over 70 wire separating systems, enabling operators to separate wire from the shredder residue "down to the size of a staple," as Tom Jr. emphasizes.

In 2013, Chinese imports of copper began to decline and a year later, China virtually stopped importing scrap copper, changing the entire world market for this commodity. Left with insulated copper wire that they could not sell internationally, North American shredder operators had to further process it into a form that was acceptable to North American smelters. In order to sell the copper material domestically, and thus recover their lost revenue stream, processors were faced with the need to separate the copper from the plastic insulation and to further process it into a granulated form because domestic smelters would only accept furnace-ready copper. As so often, Wendt would lead this transition of the market from the equipment and process side.

WENDT BECOMES A DISTRIBUTOR OF EQUIPMENT MANUFACTURED BY MTB (MACHINES DE TRIAGE ET DE BROYAGE)

To turn ASR insulated copper wire into a product shredder operators could sell, scrap metal processors needed specialized equipment to process it. In February 2008, Wendt became the North American distributor of wire chopping equipment manufactured by MTB, a company specializing in machinery for shredding and sorting operations, headquartered in Trept, near Lyon, France.

Tom Jr. had initially met Jean-Philippe Fusier of MTB at scrap tire conventions while they were competitors—Wendt was representing Eldan Tire Recycling at the time. Wendt liked MTB's products and, in 2007, nearly two years after Wendt's distribution agreement with Eldan had ended, Tom Jr. approached Jean-Philippe about distributing MTB products in North America. Jean-Philippe was interested in Wendt representing MTB's tire recycling equipment. MTB had a hard time selling in North America without a local presence and Jean-Philippe knew how successful Wendt had been in the tire recycling industry. Wendt, on the other hand, was motivated to work with MTB because MTB had a dominant position in the wire chopping industry, making it difficult to compete against them with equipment from other manufacturers. Timing was in Wendt's favor because MTB's representative of wire chopping equipment was retiring and, as a result, Jean-Philippe decided to work with Wendt to distribute its entire product line in North America.

Tom Jr. reflects on the nature of the strong relationship between Wendt and MTB: "As was the case with Simon Bowe and our relationship with Bowe Machine Company, a big part of our relationship with MTB was the result of the level of comfort and trust that Jean-Philippe and I quickly established. We were of similar age, we both had two daughters, we both learned the business as salesmen, and we were both trying to grow our respective businesses." Since then, the relationship has extended to the Wendts and the Fusiers having taken family vacations together in Corsica, France and Fort Lauderdale.

While MTB's initial interest in Wendt was to establish its tire recycling business in North America, Wendt saw a better synergy between its automobile shredding plants and MTB's non-ferrous shredding and wire chopping lines. The MTB product line became an extension of Wendt's own product line and both businesses have succeeded and grown as a result of this partnership.

Opposite page: MTB BDR Pre-Shredder at work.

Left image: MTB CableBox.

Right image: The MTB sales team with owner JP Fusier and Wendt's Scott Edwards at the 2014 ISRI Convention in Las Vegas.

Top left image:
MTB BDR Shredder.

Top right image:
MTB Granulators.

Bottom image:
MTB Air Density Tables.

Outside view of the first fully-integrated wire recovery plant at Western Metals in Plymouth, UT.

THE FIRST FULLY-INTEGRATED WIRE RECOVERY PLANT

In 2008, Wendt delivered its first fully-integrated wire recovery plant to Western Metals in Plymouth, Utah, a subsidiary of David J. Joseph Company. Alan Crouch, David J. Joseph Company's VP of Operations, championed the advancement of TOMRA sensor-based technology into the Western Metals project. Western Metals marked the first large-scale advanced metal recovery plant built by Wendt. It was very successful in demonstrating a strong return on investment and as a result, David J. Joseph Company purchased similar large plants for their other regions (Florida and Kentucky).

The Western Metals facility in Plymouth, Utah became an important reference plant for demonstrating the recovery of insulated copper wire from shredder residue. It led to several more major sales to other large companies in a short amount of time, including a large plant sold to American Iron and Metal within two weeks after the Western Metals plant had been completed. Alan Crouch's willingness to take another "leap of faith" as he had previously done over two years prior with the Houston Port project and Wendt delivering on its promises were responsible for the next wave of business. Tom Jr. explains: "Western Metals was huge for us. That project set us up for the 2008-2013 run, and that's what allowed us to really pull away from the competition."

M6090 Modular Shredder installation at Rochester Iron & Metal in Rochester, IN.

WENDT MODULAR SHREDDERS REVOLUTIONIZE THE SHREDDER INDUSTRY

Shredding is all about efficiency of scale. Large shredders are hugely productive and to be profitable they need to be operated at full capacity. The 430-inch shredder plant built by Wendt that was featured on the History Channel as "The biggest shredder in the world," for example, had four cranes feeding it while it shredded entire busses, and cars two at a time. Wendt's Model 180 shredder mill is capable of processing scrap at a continuous rate of up to 400 ferrous tons an hour, that is more than 400 cars per hour.

While efficiency of scale creates great opportunities during times of high demand for scrap, it makes large shredder operators vulnerable to sudden changes in the market. For years, the large shredders benefited from the boom of the Chinese economy, as China's manufacturing expanded dramatically each and every year. China bought much of the scrap that was produced by these large North American shredders.

Large shredders require a lot of material to operate at full capacity, making logistics the biggest challenge. They were so productive that unless they were placed in large metropolitan areas it was very difficult to keep them fed. To obtain material, these shredders relied on a great number of feeder yards. For years, shredder operators shipped material from their yards over considerable distances and, in doing so, virtually controlled the market.

After years of supplying scrap to the large shredders to feed the hunger of the Chinese economy, many smaller to midsize scrap yard operators had built up considerable material resources. At the same time, these smaller processors were missing out on high-value revenue streams by selling scrap that contained larger amounts of higher-value non-ferrous metals to the large shredders for the price of steel. Determined to capitalize on higher metal recovery rates on their own, there was a movement among operators of smaller to midsize yards to have a smaller shredder suited to their lower volume installed in their own yard. Mike Woodward reflects, "That was the tipping point that internally we recognized. We started getting more and more calls for smaller shredders."

In 2003, Tom Jr. met Tomas Isganaitis from Nobel Metals in Montreal, Quebec, Canada. Nobel Metals wanted a small shredder that was right-sized to the needs of its Montreal scrap yard. As so often throughout the history of Wendt, the contract was signed on the mere concept of a smaller Wendt shredder. Tom Jr. explains: "Tomas Isganaitis was the one who convinced us that we needed to build a smaller shredder. We wrote a contract for a machine that did not exist. He had confidence in us because he knew what we were doing with the big machines."

For this project, what developed what is now the modular M6090 automobile shredder, currently one of the company's most popular products and one that has again changed the landscape of the industry. Developed during the time of the recession, it kept the Wendt team busy while no one was buying new equipment in the scrap processing market. Once the shredder was installed, the Montreal scrap yard became an important reference plant for prospective new customers to see the Wendt modular shredder in action.

When Wendt developed the smaller 60 inch modular shredder, the team took everything it had learned from its Heavy Shredder line and applied it to the smaller size. Mike Woodward explains: "When we approached the 60 inch machine design, we collectively decided we're going to take the freedom of design to the greatest degree possible. All the machines before that had to fit the mold of industry expectations. With the 60 inch shredder we really had complete free reign—we looked at every little detail, took everything that we believed we knew and applied it."

The Wendt Model M6090 was designed as a heavy 60 inch shredder, taking Wendt's Heavy Shredder line and proportionately downsizing it rather than just building a small shredder. Referred to by Thomas as "the little big shredder," the M6090 is far heavier than other smaller shredders in the market. Tom Jr. reflects: "It ended up being the most productive shredder we ever built on a pound for pound basis. Its relatively small size, relatively small horsepower and relatively large output fit so well with where the market was going."

The typical M6090 modular shredder plant processes up to 60 tons/hour output of automobiles and light iron. It is equipped with a 2,500 horsepower motor that makes it ideal for customers with 3,000 to 8,000 tons of material to process per month. In addition to giving operators a high-efficiency machine in a smaller size, the M6090 shredder came at a significant cost advantage due to its unique modular design. Operators benefitted from a lower upfront investment, easy setup, and lower operating costs. The pre-engineered modular shredder arrives at a customer's site in modules that bolt together as all components, including the control house, are already prewired. In contrast to other equipment on the market, it requires no additional investment during site installation, such as costs associated with concrete, hydraulic and electrical contractors. The M6090 is easy to install on a flat concrete pad and is ready to operate in less than 30 days.

The modular shredder gave Wendt a product the industry was looking for in a changing market that was saturated with big shredders. It afforded smaller scrap yard operators the ability to become independent from the big shredders. As a result, small shredders sprang up all around the large shredders and began short-stopping material the big shredder operators relied on. In today's market, large shredder operators, with the exception of those situated in large metropolitan areas with a well-established feeder yard system, are struggling to survive. The change in market dynamics is further driven by the U.S. steel mills having become more interested in a holistic supply chain to procure their scrap metal. In the past, the mills only bought from a select number of big companies whereas today they are purchasing scrap from midsize operators as well.

Today, the market has changed to such an extent that even some of the large shredder operators have embraced the concept of the small heavy shredder. They have installed smaller shredders 300 miles away from their big shredder to control the flow of scrap rather than putting in a feeder yard and paying for transporting material to their large shredder yards.

Part of the ongoing popularity of the smaller shredder design is Wendt's unique ability to marry its smaller modular shredder plants with hi-tech right-sized non-ferrous downstream systems. Since inventing the Modular M6090 shredder and installing the first unit in 2011,

Top and bottom right image: Model M6090 Modular Shredder at MetalX in Waterloo, IN.

Bottom left image: Model M6090 Modular Shredder Installation in Pompano, FL.

WENDT Model M6090 Modular Shredder Installation at John Ross & Sons in Halifax, Nova Scotia.

Wendt has built a total of 34 shredders of which 15 are the M6090 modular shredders. Tom Jr. elaborates: “We’ve sold more modular M6090 shredders than the entire industry has sold of all shredders during the same time. That’s how much of a game changer our M6090 has been.” The modular shredder has further resulted in a change in the composition of Wendt customers. Historically, Wendt had grown with the needs of the largest companies in the industry and Wendt continues to do a lot of business with these operators. At the same time, the ongoing popularity of the smaller shredder has resulted in new business with small to midsize companies.

THE D& J LEGACY COMES FULL CIRCLE: WENDT REDESIGNS AND BUILDS A D&J MODEL 720 FOR INLAND & MARINE SALVAGE IN 2010

In 2010, Inland & Marine Salvage from North of Toronto, Ontario, Canada, approached Wendt with a unique request. The owners were loyal D&J customers and, almost 30 years after the last new D&J machine had been manufactured, were still operating two D&J Model 720 ferrous balers, the biggest machine D&J had ever built. They wanted a third machine of that same model for their yard. Technology had come such a long way since the last D&J machine had been designed that Thomas first tried to talk the owners out of the idea. When they insisted, however, Wendt completely redesigned D&J's 1975 machine to bring it up to the latest technology standards. The 2010 sale is symbolic of the D&J legacy at Wendt having come full circle. Today, all machines originally built by D&J are 35 years or older. Even though Wendt continues to sell parts for them and services these machines, the original D&J equipment is nearing the end of its natural life span, making D&J a completed chapter in the ongoing history of Wendt.

In 1975, while still at D&J, Thomas Wendt sold Inland & Marine Salvage a D&J Press Model 720 for $435,000. In 2010, the same owner purchased this newly designed Wendt Model 720 for in excess of $2 million.

Wendt Corporation headquarters on Walden Avenue in Buffalo, NY.

MOVE TO 2555 WALDEN AVENUE IN BUFFALO

Success with the first Test Center in the parking lot of its Military Road facility combined with Wendt's growing expertise in non-ferrous separation led to the vision for a permanent Test and Technology Center. The fact that Wendt's technology partner TITECH had a Technology Center in Germany further contributed to the growing vision for having a permanent facility to run demos for customers with the TITECH product line. To turn this vision into reality, Wendt started looking for a 10,000 square foot building to buy or lease.

Thomas, who took the search on as a personal project, located a property situated on ten acres of land at 2555 Walden Avenue in Buffalo, New York which has since become the Wendt manufacturing plant and head office building. Wendt purchased the facility in 2011. Following total renovation of the building under the detailed planning and supervision of Thomas, the plant and offices were moved over in stages, as projects at the Military Road facility were completed. With a combined manufacturing and office space of 150,000 square feet and located a short distance from the Buffalo International Airport, the Walden Avenue facility is perfectly suited to meet the needs of the company.

Top and middle images: Inside views of the Walden Avenue headquarters.

Bottom images: Buildings 1 and 4 of the company's five buildings at Walden Avenue.

This and opposite page: The new Wendt Technology Center at Military Road.

WENDT'S FORMER MANUFACTURING PLANT ON MILITARY ROAD BECOMES THE WENDT TECHNOLOGY CENTER

The move to Walden Avenue meant that Wendt's Military Road facility had become available for a different use. Driven by Tom Jr., Wendt decided to keep the former manufacturing plant for use as the Wendt Technology Center.

The opening of the Wendt Technology Center in February 2013 was significant in allowing Wendt to further differentiate itself in the market, as Tom Jr. explains: "What changed with the Tech Center was that we were now doing the product development in-house. Customers were making an investment based on a known revenue stream that they were going to generate. They could see it, they could touch it, and they could take the recovered product back and market it. That is when we really differentiated ourselves and why I think we are a market leader today."

Since the Wendt Technology Center was opened, there have been significant changes in how it is set up and operates. When it first started, Wendt had customers send in a four foot square cardboard box of material on a wooden pallet called a Gaylord box. The material had to be hand-fed through the system, making this a labor-intensive and time-consuming process. Wendt would hand pick and weigh the separated material and then interpolate 500 pounds of material to ten tons an hour. There was a lot of extrapolating involved in creating the data due to the limited amount of material to work with.

To make the test results more representative, Wendt decided to modify the Technology Center into a fully-integrated, non-ferrous recovery plant which was commissioned on February 16, 2015. Instead of just supplying a Gaylord box, customers could now bring in tractor-trailer loads, each with 20 tons of their own material. Wendt ran the material through the plant in just two hours, separated it, created the different material piles, weighed them and assigned a corresponding market value to each pile. Converting the Technology Center into a full production plant gave Wendt the ability to conduct full-scale tests in a real world environment to show each customer their actual return on investment.

In 2015, the Wendt Technology Center was redesigned to double as a tolling facility for customers to process truckloads of ASR material for a service fee. This added use has made the facility financially self-sustainable.

GOING WITH THE TIMES—WENDT TRANSITIONS FROM AN ENTREPRENEURIAL TO AN ENTERPRISE MODEL

For several years now, Wendt has been engaging in a process characterized by the creation of structures, processes, and new forms of accessing and sharing information within the organization. Led by Tom Jr. and Director of Operations and former Engineering Manager Rick Howe, this ongoing transition is aimed at making the company more flexible and scalable while at the same time maintaining the entrepreneurial spirit, creativity and innovation that have shaped Wendt from its earliest days.

The transition to a more structured, process-oriented and enterprise-focused approach is based on the team's understanding of Wendt's unique identity. The gradual evolution of Wendt over time has resulted in a dual identity as an original equipment manufacturer (OEM) and as an engineered-to-order/job shop company.

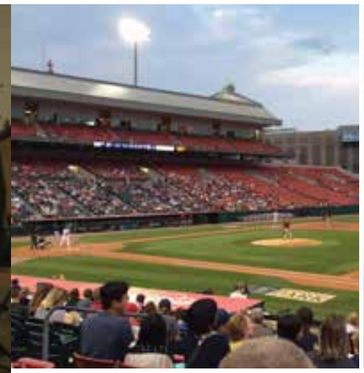
To make the business more resilient to the cyclical nature of the scrap processing industry, Wendt began creating methodologies and processes aimed at divesting the OEM part from the engineered-to-order part of the business.

The larger number of machines and systems the company produces makes it imperative to replicate, or as Rick Howe states, "commoditize" certain parts and machines. "We have taken this approach to the point that we are now commoditizing our processes for making machinery that we sell over and over again," Rick explains. The Wendt team refers to this process as "graduation"—"graduating items out of the trappings of the job shop documentation and graduating them into their own unique identity."

Implementing an Enterprise Resource Planning (ERP) system in 2008 and exercising more functions within that documentation system has been a key element in making Wendt more of an enterprise- and process-focused company. ERP software allows Wendt to use a system of integrated applications in managing the company in relation to technology, services and human resources. "That was a game changer in how we do business and every year we have become more dependent on our ERP system. Today, everything is done in our ERP system as opposed to on Excel spreadsheets outside the system," Tom Jr. reflects. Project management became another key focus area as larger numbers of projects made it imperative to pay more attention to project structure, project flow, managing tasks, and structuring priorities.

Wendt company and employee events since 2000.









Wendt company and employee events since 2000.

Middle left image: Tom Wendt Jr. celebrating his 40th birthday together with employees.

To allow for access to information from anywhere within the organization, Wendt created a PDF-based open document network that is referred to as "the community vault." It contains an electronic version of project data that can be accessed by everyone in the company, from project managers to engineers and employees entrusted with roles in sales, supply chain management or purchasing. Establishing this method and broader culture of information transparency helps eliminate silos and is part of the foundations for Wendt being a more enterprise-type company.

To create more flexible capacity in a cyclical industry, Wendt has further identified lower-value activities and placed them in a lean manufacturing context. This includes the creation of digital workflows and the outsourcing of non-core manufacturing activities to specialized subcontractors. Tom Jr. explains: "Almost everything we sell we could build in-house. When we decide not to manufacture something in-house, it's usually a function of capacity. We have to have a very elastic supply chain and business model that enables us to outsource some of our manufacturing to complete a project because the business comes in waves due to the cyclical nature of the scrap industry." Wendt has been putting a lot of effort and resources into conceptualizing and fully understanding its engineering and manufacturing capacity to make smart decisions on what is to be manufactured at Wendt and what is to be built elsewhere. In addition to increasing flexibility, this has enabled Wendt to place even more emphasis on its core technologies.

These measures have created capacity and scale while continuing to transform the way the organization operates. Tom Jr. explains: "The bones of an enterprise-focused company are in place today. The challenge is going to be to maintain the flexibility and responsiveness that made us who we are with that structure. Our flexibility and responsiveness are why customers come to us. As we keep growing, the biggest challenge is going to be our ability to manage 200 people the same way we were able to manage 100 people."

BUILDING THE BENCH— THE WENDT CO-OP PROGRAM

As an industry leader, Wendt relies on attracting the brightest minds to the company. Partnerships with the Rochester Institute of Technology (RIT) and its integrated co-operative education program and with the University of Buffalo's engineering school have been set up with the company's future hiring needs in mind. Wendt has two and sometimes as many as four students working at the company at any given time. It is also involved with the Erie County BOCES program, a high school program for teaching trade skills to juniors and seniors. The co-op program has become an important element in the company's HR strategy as Wendt keeps building capacity. Students are often hired back for multiple placements and close to ten former co-op students have become full-time Wendt employees since graduation. Joe Bertozzi explains: "Bringing in co-op students is an integral part of capacity-building in our engineering department." Tom Jr. concurs: "We have a great look at three to four co-op students every year. That is the lifeblood of the company going forward."

CHAPTER TEN

Wendt Today and Outlook into the Future

WENDT TODAY

As it is about to enter its fifth decade in business, Wendt is:

- **A premium brand catered to scrap metal processors and shredder operators**
- **A company built on a philosophy and culture of constant innovation, growth and employees taking ownership**
- **An innovative company built on the strength of its people**
- **A company with strong long-term relationships and a track record of creating value for customers**
- **A systems integrator with a wide range of products and services that meet the needs of the automobile shredder industry**
- **A data- and ROI-driven company with expertise in applying the most efficient processes and cutting-edge technology to fully-integrated systems**
- **A company that values relationships, brings the industry together and exchanges information and ideas**
- **A company that through partnerships marries cutting-edge technology with proprietary processes creating maximum value for its customers**

The Wendt team in front of the Walden Avenue headquarters.

173,000 CONNECTED HORSEPOWER AND STILL COUNTING

Since building its first shredder in 1998, Wendt has manufactured and installed 34 shredder systems for a combined total shredder mill strength of 173,000 connected horsepower.

Since setting up the first Test Center in the parking lot of its Military Road facility in 2003, Wendt has built and installed 82 non-ferrous systems, translating into a 54 percent market share.

Wendt has made more than 350 sensor sorter units and, as of 2017, Wendt's sensor sorting systems are processing four million tons of ASR annually.

Wendt Model 106 HEAVY Shredder installation at Total Metal Recovery in Laval, Quebec, Canada in 2017.

2,500 hp M6090 Modular Shredding System at Roca Acero in Monterrey, Mexico – 2017.

WENDT INNOVATIONS OVER THE YEARS

- **Wet Shredder ASR Dewatering Press**
- **HydroSort Wet Shredding Downstream Separation System**
- **Tumbleback Feeder**
- **Square Sizing Trommel**
- **EddySort Dry Non-Ferrous Separation Process**
- **SuperEddy Non-Ferrous Metal Separator**
- **Tire-Wire Baler**
- **Heavy Shredder Product Line**
- **Modular Shredder Product Line**

THE WENDT LEGACY

As a third-generation manufacturer of scrap metal processing equipment and a second-generation family business, Wendt is in the process of becoming a legacy business. "What I'm trying to do now is to make Wendt Corporation a legacy business. It's currently in its second generation, so legacy is my operative word here," explains Thomas. Thomas' two children, Tom Jr. and Katherine, each have three children, making Thomas hopeful that the company will remain a family business even beyond the second generation. "With Tom Jr.'s three daughters and Katherine's two sons and a daughter, I am hoping that at least one of them will join the company and make Wendt a third-generation business." Although at this time the grandchildren are all still young, the oldest, Tom Jr.'s 14-year-old daughter Abby, is planning on working part-time at age 16 like her father and grandfather have done before her.

Top image: Model 82 HEAVY Shredder plant at Azcon Corporation in Alton, IL.

Bottom image: Sizing plant preparing material for sorting at Alter Trading in Council Bluffs, IA.

As the story of Wendt has shown, the continuously evolving Wendt legacy is built on corporate values derived from Thomas's core beliefs in what the company he founded in 1977 should be known for. At the heart of this ongoing legacy are three foundational values that continue to guide the leadership team and Wendt employees in everything they do: Integrity, Innovation, and Independence.

INTEGRITY

More than anything else, Thomas always wanted Wendt to be a company of integrity. Mike Woodward explains how the notion of integrity constitutes the foundational pillar for everything Wendt does: "Thomas Wendt would never take a short cut. We never walked from a job. When something didn't work, it didn't matter what we were being paid. What mattered was that when we left, it was done right. Integrity was always more important to him than profit. I think, in part, that's why I have always been able to work for the man. That is why he and the company have very loyal employees."

INNOVATION

Throughout its history, Wendt Corporation has been a highly innovative company that continues to move the scrap metal processing industry forward through constant investment into new processes and technologies. Ahead-of-the-curve-thinking constitutes the second core pillar of the ongoing Wendt legacy. Thomas explains: "From a product line and equipment point of view, I think our products are and traditionally have been leading-edge, ahead of the curve, as good as you can do it."

Determination to build cutting-edge processes around new technologies to increase value for customers weaves through the Wendt story from the earliest days. This innovative drive has been at the root of Wendt never being afraid to try something new. Thomas reflects: "Looking at the evolution of the company as a whole, it moved in a very methodical direction, aside from a couple of things that unfortunately didn't work out. But we were never afraid of trying something new. I was never afraid of selling something and then figuring out how to build it. I would always say 'yes we can do that.' I was noted for that."

At Wendt, innovation is inseparably intertwined with a history of constantly reinvesting into the company; and of continuous learning and applying the lessons learned to new applications. Continuous improvement is more than a catchword—it is one of the driving forces behind the company's ability to meet, and often exceed the needs of an ever-changing industry. Throughout the history of the company, this culture of continuous improvement has expressed itself time and time again in Wendt advancing processes together with technology partners and customers and in doing things in creative ways that had never been done before.

Opposite page - top image: Model M6090 Shredder Plant installation at John Ross & Sons in Halifax, Nova Scotia, Canada.

Opposite page - bottom image: Inside view of the original Wendt Technology Center in 2013.

This page: Wendt Sales Team at the 2016 ISRI Convention in Las Vegas, NV.

Opposite page:
Top left image: Tom Jr. and Doreen Wendt.

Top right image: Thomas and Doreen Wendt.

Middle left image: Three generations of the Wendt family.

Middle right image: Tom Jr. and Heather Wendt.

Bottom left image: Thomas, Katherine and Tom Wendt Jr.

Bottom right image: Thomas, Katherine and Doreen Wendt.

INDEPENDENCE AND FAMILY OWNERSHIP

After four decades, Wendt continues to be an independently owned and operated family business. Family entrepreneurship, the third core pillar of the Wendt legacy, is a foundational value that extends to each and every function of the business. Furthermore, it is a concept that is applied to employees, many of whom have been with the company for ten, twenty, and over thirty years.

Family entrepreneurship makes it easy to connect and build lasting relationships with customers. Tom Jr. explains: "Some of the most successful stories in the scrap industry are family companies. It's very easy to relate to family businesses in the scrap industry because we are a family business manufacturer." Built on the core value of family entrepreneurship, Wendt has grown alongside many of its customers and vice versa.

While many of the original manufacturers of equipment for automobile shredders and shredding plants have been sold many times over and rolled into large publicly-traded multinational companies, Wendt has stayed true to its roots as a family business. Being a private company that is profitable, yet does not have to be concerned with quarterly shareholder profits, has afforded Wendt the ability to make quick decisions and take risks in achieving its goals. Whether it is investing into facilities, equipment, or new technologies—Wendt's ability to make its own decisions as a private company utilizing family money has given it a real advantage in the market.

THE FUTURE

After 40 years, Wendt has not lost its entrepreneurial drive and passion for innovation. Moving forward, the direction is to stay ahead of the curve and to keep innovating to drive value for Wendt customers. "We are always looking for what's next. We are always having conversations with customers about what's next," Tom Jr. explains.

At the heart of Wendt's innovative spirit is a team of creative minds with an incredible skill set that is built on years of experience and understanding the ins and outs of scrap metal processing. Behind the success of Wendt stand driven people who take ownership for the growth of their company and who will continue to enable Wendt to stretch itself and deliver value on innovative ideas. Tom Jr. elaborates: 'I can have a conversation with a customer and then sit down with our engineers and have a concept for it. That gives us the courage to write a contract that says we are going to deliver this idea. That ability to be flexible, dynamic and having the resources available to solve problems is an underlying reason why we are where we are today and why we will continue to be successful in the future. We have a group of employees here that treat the business as if it is their own. It is the different skills of creative thinkers like Mike Woodward, Bill Close and others that allow us to act the way we do in front of a customer. The ability of the company to leverage all that expertise into what we do is really the story of Wendt Corporation."

Under second generation leadership, the same core values that have been at the heart of Wendt's unique identity under the leadership of

its founder will continue to carry the company forward: "We try to operate honestly and with integrity. We do what we say we're going to do and we stand behind what we do. One of the terms we use a lot around here is 'happy customers.' It's kind of a simple term but at the end of the day, a project is only successful if the customer is happy. So having 'happy customers' is a major driver here," Tom Jr. explains. Wendt is determined to keep growing as a premium brand and leader in the industry. "I want to make sure we are a leader in what we do. We are always trying to grow the business. We are always trying to do what's right for the business, for the people, for the employees, and for the customers," Tom Jr. states with confidence.

Moving forward, Wendt's commitment to the community is as strong as ever. Wendt takes its responsibility as an employer in an area that has lost many manufacturing jobs very seriously. There is a sense of gratification in having been able to build a sustainable business in an area where not a lot of manufacturers go these days. "Being in Western New York, creating jobs and revenue and adding to the economy of Western New York is rewarding," explains Thomas. Joe Bertozzi concurs: "Our people are here so we've made the decision that we're going to stay in Western New York. There are certain economic factors that do not contribute to our competitiveness being in this location. Therefore, we have to do it better, smarter and faster."

Being a conservatively-managed company that is not leveraged and is financially strong gives Wendt many options. The overall direction for the future is to take the know-how, processes and equipment and do what the company is currently doing for the scrap metal processing industry in the U.S. and Canada into new and related markets, one market at a time. The combined expertise of the creative people behind the Wendt success story has put Wendt in a position to leverage its strengths in other marketplaces, both nationally and internationally.

The future looks bright as Wendt enters its fifth decade in business.