



Fastenating

When you're getting it all together, you've got to have nuts and bolts.

All the myriad products that pour from the factories in the southeast angle of Pennsylvania—trucks and trailers, pumps and compressors, computer-typewriters and do-it-yourself auto tools, for instance—would never emerge at all without the bits and pieces of hardware known simply as “fasteners.”

Nuts and bolts, screws and washers, pins and studs. Perhaps it is no surprise that they are vital to manufacturers. But fasteners are also indispensable in running a great art museum, keeping a huge sports complex going, and generating the power to turn machinery. These enterprises flourish, too, in Pennsylvania's busiest industrial corner, and they are among the more unlikely customers of a flourishing new business whose only concern is buying fasteners and reselling them to such varied customers as Mack Trucks and the City of Philadelphia.

You may never have heard of Lufasco, unless you happen to be familiar with the Pickering Industrial Park at little Lionville in Chester County or need some industrial fasteners.

Even with the incredible variety of uses for such items as eye bolts and tapping screws, they might not seem the materials for romance and adventure. But take another look.

Come along on a brief visit to the attractive new building whose name and designation shine through the tall trees of the industrial park: “Lufasco...The Fastener People.” Emblazoned on the bold modern front of the plant is the figure of a huge bolt. Come inside, where two partners in their mid-30s preside over a business whose sales they have built from \$212,000 in 1968 to over \$3 million in 1978. One million of that increase is coming in the current year.

It doesn't take long to discover that another definition of Lufasco might be—fastenating!

Listen as one of the partners, Fred Lubker, rattles off the names of some of Lufasco's more prominent customers and what they make and do.

Lufasco supplies 80 percent of the fasteners that go into the manufacture of Schramm water drilling equipment and air compressors, the kind you often see where there's road work going on. It also delivers 80% of the fasteners that go into the making of insulation for freezers and other appliances produced by National Foam. And, the nuts, bolts, screws and what-have-you that go into Mack trucks (manufactured not only at Allentown, Pa., but also at Oakville, Ontario) find their way through the Lufasco warehouse on their way from the original maker to the manufacturer.

Lufasco is also broker for most of the fasteners that the City of Philadelphia needs for such diverse institutions as Veterans Stadium, the Academy of Music and the Philadelphia Art Museum. Philadelphia Electric supplies all its storerooms, maintenance and construction departments with fasteners through Lufasco. Philadelphia Gear, at King of Prussia, is the world's largest producer of all sorts of gears and—you guessed it—Lufasco is its supplier for every kind of fastener.

What does Lufasco handle? Some 25,000 shapes and sizes of nuts and bolts, screws, washers, pins, studs, rods, rivets and nails—and not just steel, but also, in most categories, stainless, brass, silicon bronze and aluminum.

Here are a few more of Lufasco's widely diversified Pennsylvania customers:

Ametek—Schutte & Kuerting Division, Cornwells Heights, making pressure gauges. Exxon's new QYX Division, another Lionville neighbor of Lufasco, building a sophisticated computer-typewriter which is still in the development stage. Sperry-New Holland, in the Lancaster Dutch country, producing farm machinery. Standard Steel at Burnham, forgings.

Selas, at Drescher, heat treating equipment. The list could go on and on.

Fred Lubker says Lufasco has grown in less than a decade to be the second largest distributor of fasteners in southeast Pennsylvania.

If you think this sounds like a success story in the classic American tradition, wait till you hear how it starts. In December 1967, Frederick G. Lubker, Jr., had worked eight years as inside sales correspondent for a fastener company in Philadelphia. He was 25 years old. He had a wife, a home, two cars, \$500 in the bank, and had just welcomed his third child into the family. He chose that moment to hand his employer a salary ultimatum. The employer came back with an offer that Fred (let's start calling him that—most people do) found unacceptable. So he quit his job and rented a row-storefront along Philadelphia's Kensington Avenue. He dreamed up the name Lufasco and registered it. A friend sold him two desks and a filing cabinet on credit. He bought a couple of typewriters and an adding machine and put in a telephone. He also found he had no money left.

Many observers might not have thought much of Fred's prospects—but Richard J. Procopio (call him Rich), whose background was similar to Fred's except that he had been with a fastener company for only two years, also quit his job within a week and became a partner.

Fred remembered another friend who had once told him, "I believe in you," and offered to lend him money any time he needed it. This seemed like the time. The friend handed Fred his checkbook and said, "You write the check." Surprised but not paralyzed, Fred did—a check to himself for \$1,000. There were no ties, just a handshake. Within two months the loan was repaid.

Within a year Fred and Rich purchased at auction for the lordly sum of \$2,000 a larger building across the street from their original storefront, and spent another \$6,000 refurbishing it. Within a year and a half they bought even larger quarters on Belfield Ave., with 90% financing.

"At first we didn't intend to do any warehousing," Fred says. "We sold to companies we knew would pay promptly."

Sales were, and still are, mostly to original equipment manufacturers like Mack Trucks, which last year purchased over \$600,000 worth of industrial fasteners through Lufasco. "We are Mack's warehouse," Fred says.

Why should anybody buy through brokers like Lufasco instead of dealing directly with the manufacturers? There are many reasons. The buyer may not have the desire or the space to warehouse all his own materials and supplies, which often come in great variety. When ordering materials, he usually leaves fasteners to the last. He trusts his suppliers to know more about the specialties than he does. He may also require something more than the original maker is prepared to provide. Mack, for instance, builds great quantities of electroplated bolts into its sturdy trucks. Lufasco buys the bolts and reships them, at the rate of 20,000 pounds a week, to the Pottstown Plating Co. Returned in open kegs, these truck parts gleam like silver ingots on the receiving dock at Lufasco. Other companies require alterations to standard bolts—such as drilling, or the addition of the nylon pellet and patching process—and Lufasco contracts for these as well. Thus the company spends considerable money with its Pennsylvania neighbors.

Lufasco's rocketing business is based to some extent upon the 1,400,000 pounds of inventory, worth some \$700,000, stacked on warehouse shelves. (The specially reinforced floor can easily handle 3½ million pounds.) Less apparent are such other factors as friendly, mutual relationships with customers and the ability to anticipate and meet their needs.

By ordering four months or more in advance, Lufasco can provide customers with fast service. Last year the company bought millions of pieces of industrial fasteners, worth approximately \$2 million. Fasteners

are all they buy. The outflow goes mostly (99%, Fred says) to customers in a 300-mile radius, the rest as far as Canada and California. Lufasco owns two trucks, but 85% of its products are shipped by common carrier.

Most stored material is kept on wooden skids for easy handling, and careful inventorying enables office workers to pinpoint the exact location of any item ordered so the lift operator can pull it without delay. It did develop, however, that the company was losing money on small orders—\$3 or \$4 invoices perhaps—if entire pallets had to be lifted down to handle them. To get around that loss, many items have been packaged in small lots and placed on man-size shelves for easy access. With counting scales (a single item on one side of the balance will register precisely when 100 or 1000 are placed on the other side), orders can be filled accurately.

Warehouses are seldom distinctive for neatness—but Lufasco's is. Workers nail up old skids when they are repairable, instead of junking them, so the average life of a skid is about five years here. It's all part of the efficiency which has placed the company in the enviable financial position of being able to discount all bills that offer discounts.

As with many businesses, metric conversion has to be taken into account in the production and use of industrial fasteners. Fred says the new cars probably will go metric, but many other industries may hold off, partly because metric systems have not been standardized worldwide. In making fasteners, the Germans, French, Japanese and British all use slightly differing metric standards.

So there are always problems. Fred, however, prefers to view them as challenges. Seated in his spacious office—each of the partners chose his own decorating scheme—Fred talks freely about the business. He and Rich, he concedes, were lacking in commonsense, but not in guts, when they took the big chance in their mid-20s. Now, 10 years later, Lufasco is a story out of Horatio Alger, Jr.

Are such stories just as possible today as they were a decade ago?

"There are a hell of a lot of opportunities out there," Fred says. "The country is filled with them."

It's good to hear it from somebody who knows how it can be done, right down to the nuts and bolts.

The men who have lived the "fastenating" story are Frederick G. Lubker, left, and Richard J. Procopio, partners in Lufasco.