

Two brothers have grown Smith Tank & Steel from a startup offering water tower repairs to a multimillion-dollar industrial services firm

Business Report – David Jacobs – Brothers Billy Smith and Sam Smith Jr. come from a family of industrial tank builders. They were supervisors by the time they were 19, Billy Smith says, and both came to lead tank divisions at their respective employers.

“I was doing all of the tank work there, and Sam was at another company doing the same thing,” Smith recalls. “Do millions of dollars worth of work for them, do all the estimating, hire all the men, talk to the customers, get the entire job done, and you don’t even get a gift certificate at the end of the year.”

In 1997, they set out on their own. Their first jobs involved repairing water towers, which paid the bills wasn’t exactly the ideal line of work on which to build a career.

“That was very, very, very dangerous work,” Smith says. “You’re 200 feet up in the air, hanging on the side of an old water tower, when the only reason you were there to go look at it was that parts were falling off of it.”

Fortunately, Smith Tank & Steel works mostly for petroleum and pipeline companies these days. It employs about 525 people and did more than \$152 million in revenue last year. But in the early days, they were just working to pay the bills.

Up until about four years ago, there was no sales division;

every job came via word-of-mouth. And for the first several years, the company was basically three people, with sister Karen Smith running back-office operations. She's the vice president for corporate operations these days, while Billy is president.

After outgrowing their three-person office, the next "office" was an old house that the brothers had hauled, in pieces, from Perkins Road to be reassembled in Livingston Parish. They later added a couple trailers to the same site.

In 2009, they purchased the former home of 84 Lumber on La. 30 in Gonzales, which allowed them to expand and build their own in-house fabrication shop. The site had been on the market for almost two years, recalls David Hubbard, the company's former banker and current CFO.

"Their price kept dropping," Hubbard says. "You've got to feel good when the seller has to come out of pocket a half-million dollars at closing. We got a deal."

NO WORKFORCE SHORTAGE

Many companies in the Capital Region complain about their struggles to find good employees. Smith Tank & Steel is not one of them.

"Every morning, the office is full of people applying for a job," Billy Smith says. "People want to work for us."

They're hiring, but there are no signs advertising that fact. The company has taken out newspaper ads twice in its history, but all that accomplished was attracting more people who weren't qualified.

Apparently, the word is out that Smith Tank & Steel is growing rapidly, stays busy and doesn't mind paying overtime. Unlike many industrial service companies that hire mostly temporary labor that is cut loose once a job is finished, Smith doesn't

do layoffs; people that have left have done so voluntarily or were let go because they didn't work out, company leaders say.

Billy Smith says the company tries to treat its employees the way he wishes he had been treated early in his career. That means fair pay with bonuses for extra effort, opportunities for advancement, and appreciation for each individual's contributions.

"There are no empty promises," Karen Smith says. "We've never said anything we haven't done."

The company is fairly diversified these days, serving the chemical and oil industries, upstream, midstream and downstream. They say they recently finished an \$80 million, 11-tank project—their biggest by far—well ahead of schedule for a new client.

"We didn't go out and find them," Karen says. "They found us."

Smith Tank & Steel is headquartered near the heart of the Ascension Parish industrial corridor. Yet the company does very little local work, which is a sore spot for company leaders, especially considering the generous state incentives large projects often receive.

While his company is investing in Ascension, doing work all over the country and creating hundreds of jobs, "we can't get a job in our own backyard," Billy Smith says. "That's pretty frustrating."

He says he sees some "tightening up" in the tank industry, "but we're fine." Beyond the 26-acre Gonzales home, the company has a mechanic shop in Livingston and a small sales office in Houston. In early October, it opened a division in Tulsa, about an hour from the "Pipeline Crossroads of the World" in Cushing, Okla.

While Smith competes against public companies, its

owners intend to keep the company private. Beyond that, there doesn't seem to be a long-term grand plan for the future. Which seems fitting, since they got this far without one.