

# Inner-City Comeback

**THE FOUNDERS OF WEST COAST METAL FINISHING DIDN'T GIVE UP AFTER AN ARSONIST DESTROYED THEIR SHOP. WITH SUPPORT FROM THE COMMUNITY, THEY CAME BACK STRONGER THAN EVER.**

By HOWARD FINE  
Staff Reporter

**R**OBERT Termino and Ernie Garcia have spent their lives defying the odds. After growing up in South L.A. and graduating from rival high schools, both went into the metal-plating business and managed to stay employed at different companies during the region's worst recession in 60 years.

They met through their work and eventually teamed up to launch their own firm, West Coast Metal Finishing Co., in riot-scarred South Central L.A. — at a time when manufacturers were leaving the area in droves. They immediately had to cope with the dramatic downsizing of the L.A. aerospace industry — the primary customer base for metal-plating firms.

Then, less than two years after they opened their doors, an arson fire completely destroyed their machine shop. Termino and Garcia had to temporarily turn customers over to three competing firms that eagerly took on the work, figuring West Coast Metal Finishing was dead in the water.

And it almost was. For nine months the company was out of business, forcing Termino and Garcia to dig into their life savings to keep their 15 employees on the payroll.

"When that fire hit and we watched the building burn, we came really close to giving

it all up," Garcia said. "But I didn't want to give up; I had been through too much. I had to psych-up Robert and give him support. Then, as the days stretched into months, he ended up giving me the support I needed to go on."

The partners got a break when the building next to their shop became available and they were able to move in. They also got a \$369,000 loan from the L.A. Community Development Bank and some help from Mayor Richard Riordan's Business Team to cut the red tape involved in relocating.

As a result, the company was back in business in March 1997, with Termino serving as president and overseeing the production line, while Garcia drummed up new business as vice president.

**Strong comeback**

Now, three years later, West Coast Metal Finishing is doing so well that Termino and Garcia are adding another production line and considering expanding into a larger facility.

Last year, they posted record revenues of \$2.9 million and began to diversify beyond their traditional customer base of aerospace and automotive parts makers and pick up clients in the construction and home repair industries. Now, with the new production line scheduled to begin within two months, the partners are projecting 2000 revenues to hit \$4 million.

There are other challenges still to face, however. The metal plating industry is changing as traditional clients upgrade their own manufacturing processes.

"Metal screws and fasteners tend to corrode over time, which is a big problem for the airline and automotive industries," said Michael Murphy, editor of Metal Finishing magazine in New York. "As a result, companies that used lots of fasteners and screws



Survivors: Robert Termino, left, and Ernie Garcia, right, grew up in South L.A.

are switching to adhesives. It doesn't hurt that the new adhesives that have been developed are cheaper."

But many types of adhesives, not to mention the traditional zinc coating process, can run afoul of environmental regulations, especially here in Southern California.

In response to these trends, West Coast Metal Finishing is currently researching a new powder-coating technology that is baked onto the screws, fasteners and clamps. The trick, Termino said, is to make these parts more resistant to corrosion and at the same time meet ever-more-stringent environmental regulations.

**Community support**

One customer that has stuck with West Coast Metal Finishing is Garden Grove-based Umpeco Inc., which supplies hardware for the transportation industry.

Once West Coast Metal Finishing reopened, Umpeco materials director John Conte steered most of the work back to the

company. "We looked at other platers, including the ones they had farmed the work out to, but Ernie and Robert had the faster turnaround time."

With overall volume up at Umpeco, the firm is sending more work than ever to West Coast. In fact, volume has picked up across the board for West Coast. As a result, the firm is already straining at the physical limits of its building, which was formerly home to a furniture maker.

Still, when it comes to finding a new site, Termino and Garcia want to stay in the same area. One reason is that the company receives empowerment-zone tax credits because most of its employees live in the immediate neighborhood.

In addition, neighbors near the plant have started watching out for the facility, going as far as helping a security guard keep watch on an adjacent alley for drug deals.

"We want to stay in this area because we both grew up here and the community has been so supportive of us," Garcia said.

Spotlight

**West Coast Metal Finishing Co.**

**Year Founded:** 1994

**Core Business:** Coating various components for airplanes and other vehicles, and for construction uses

**Revenues in 1995:** \$1.1 million

**Revenues in 1999:** \$2.9 million

**Revenues in 2000 (projected):** \$4 million

**Employees in 1995:** 17

**Employees in 2000:** 43

**Goals:** Expand into an additional facility and add a new production line. Explore new powder-coating technology to meet anticipated tougher environmental regulations.

**Driving Force:** Growth in the automotive, aerospace and construction industries

THE WEEKLY

**Briefing**

A FIRST PERSON ACCOUNT OF RUNNING A SMALL BUSINESS

**T**HE roller-coaster stock market hasn't hurt business for Meir Levy and Ilan Levy-Meyer, co-owners of Cannon Trading Co. in Beverly Hills. Instead of investing directly in securities, the brothers originally staked their claim in the digital economy back in 1995 by buying up 40 domain names related to futures trading. They then linked all those similar-sounding names to their online trading site, *e-futures.com*, where clients can buy and

sell futures contracts, options and other instruments, as well as check market information. Jennifer Smith spoke with Levy and Levy-Meyer about using the Internet to serve their global client base in a turbulent market.

"We started the business in 1988. At the time, we dealt mainly with hard commodities like metals and grains.

"We were one of the first to start doing business online. The Web site functions as an informational and marketing starting point, then the client downloads the software that enables them to conduct transactions through our site.

"They can pretty much trade from anywhere in the world. The majority of our online clients are trading futures on composite indexes. Most are small speculators. The Internet

has leveled the playing field, so that now we can be a leader in the futures industry despite our small size.

"We have a \$3,000 minimum account size, and our full-service commission rate is \$37.50 per side, or less, depending on account size and trading volume.

"The industry has become more of a customer-service business. Our job is to tell clients the techniques for using the market to their advantage and give them a market overview so they can make decisions.

"On April 14, when the market was going crazy, we sent clients alerts that popped out on their trading software and their e-mail, and we told some clients that they needed to get out of the market.

"The idea is to help them stay less at risk.

Some clients are very stubborn. (For example,) there are many people making lots of money on the yen right now, and they think that the market is a one-way track. But we tell the clients that the downside always exists.

"As a broker, you just have to hold your client's hand. It's never pleasant to talk to someone who's losing money. But when someone is in a panicky frame of mind, they're liable to lose even more money."

**▼ Have a Story To Tell?**

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