



## Eyeing to Expand Distribution Network and Achieve Higher Gross Profit

# TCI Dominates the Stainless and Aluminum Supply Chain

### Biden's US\$2.25 Trillion Infrastructure Plan to Benefit TCI

In order to stimulate the economic development and industrial growth momentum of the domestic U.S. market, Biden's administration has announced in late March 2021 the so-called "Infrastructure Plan." This 8-year investment and employment improvement program which is worth US\$2.25 trillion will be mainly focused on the infrastructure of railways, highways & bridges, electricity systems, and electric vehicles. Having been expanding its distribution network in U.S. market for more than two decades, TCI is also expected to become one of the major beneficiaries of the Infrastructure Plan.

TCI is said to be one of the best exemplary companies which has successfully transformed itself from a traditional manufacturer to a master distributor of industrial products. It is even called "the Amazon.com" among its industry peers. TCI is also proud to be the only stainless master distributor in the industry. Currently, TCI adopts a distribution strategy of "70% from domestic production and 30% from import" for stainless steel products in U.S. market.

In 2018 TCI officially expanded its business to aluminum distribution by acquiring AlumaX Milled Products in the U.S. Compared to other suppliers importing products subject to high tariff rates, TCI not only has successfully consolidated its leading position in U.S. distribution network, but also has had the advantages of inventory available at lower prices and localized production. Since TCI started its deployment in U.S. distribution network very early and the Infrastructure Plan of U.S. administration has been under way, TCI is very likely to achieve a remarkable revenue growth this year.



### Distribution is More Profitable Than Manufacturing

**BUSINESS TODAY CEO Hsieh:**

**This company with tremendous strength completed successful transformation and made gross profit equivalent to its net profit.**

*Photos/articles provided by TCI*

“ I felt the pulse of the traditional industry at TCI!

The main purpose of my visit to Tainan this time was not only to see the peripheral effects brought by TSMC located at Southern Taiwan Science Park, but also to call at some vibrant companies. During the visit, I arranged a special visit to Ta Chen Stainless Pipe Company Limited.

I received a cordial welcome from Ta Chen founder Mr. Robert Hsieh. Then, on a very early morning (at around 5:30 a.m.), he sent his nephew to the hotel I stayed to pick me up and drove me to Ta Kang Shan in Alian (Kaohsiung) for hiking. President Hsieh also invited all the directors and supervisors of the Group to go hiking with us. He spent his own money to maintain the cleanliness of the mountainous area and built 4 what he called the five-star public toilets, creating clean and tidy hiking trails for all people to enjoy. He goes hiking there on Saturdays and Sundays and appreciates the solemnity of Chao Feng Temple built 350 years ago.

I'd rather describe this trip as a walk with President Hsieh rather than a hike. It was a relaxing trip and we also had our breakfast together at a guest house of one of President Hsieh's friends. Then, we drove back to the hotel and changed clothes for a factory tour and briefing at TCI.







On a podium, President Robert Hsieh presented to the audience his corporate development strategy with very detailed figures. He told us that in the supply chain of industrial products, the profit margin of distributors is much higher than all the manufacturing cost of producers. As a result, Ta Chen spared no effort to expand its distribution network, making it large enough to reach an economy of scale and reaching the gross profit margin equivalent to its net profit. What he has adopted is a Quiet Managing Strategy to get the real-time intelligence updates of the Group's global operations. President Hsieh once introduced this way to Taiwan President Tsai, Ing-Wen and was greatly praised by her.

At noon, President Hsieh invited all guests to enjoy lunch with him at Ta Chen's staff restaurant serving vegetarian and healthy cuisine with very good taste. In this restaurant, staff can have their lunch for free and can even take some cuisine away after 12:30 p.m. This restaurant serving lunch to staff has been open for 8 years. Every staff there gives a big thumb to it.

The nearly 70-year-old President Hsieh founded TCI and BBI. He is fully dedicated to his work, treats all employees as his family members, and always stands in the forefront to lead the Group. Today, I witnessed the vibrant energy of Ta Chen and the implied meaning of how an ideal company to work for should be! ♡ ♡



Left: BUSINESS TODAY CEO Chin-He Hsieh  
Right: Ta Chen President Robert Hsieh



### About TCI

Ta Chen International, Inc. ("TCI" or "the Company") is a leading master distributor of stainless and aluminum coils, sheets, plates, long products, tubes and PVFs. TCI is an industry leader in inventory depth, breadth and availability and efficiently serves over 3,000 customers in the U.S. through 8 strategically located warehouses. Founded by Mr. Robert Shieh in 1989, TCI entered the US market as a newcomer to the stainless steel distribution business. Within 10 years, the Company has grown from a small operation in Los Angeles to become the largest and most recognized name in Stainless Master Distribution in the United States. TCI bought Brighton-Best Socket Screw Mfg. in 2008. Brighton-Best Socket Screw continued to open distribution centers in the USA, UK, Brazil, New Zealand, and Australia. Brighton-Best is currently located in 31 locations in 6 countries and supplies over 7,000 distributors throughout the world.

### About BUSINESS TODAY CEO Hsieh

The founder of "BUSINESS TODAY". He is currently the consultant of Taipei City Government and the guest professor of CTBC Business School.

