

# TMCP: Steel Deals

BY ALEX REEVES

It's often said that trade has made the world a smaller place. Ernest Bodnar must have surely felt that way a year ago when the Mammut Group of Dubai, United Arab Emirates (UAE), unexpectedly called on his company, TMCP Building Systems Inc. of Burlington, Ontario.

Established in 2002, TMCP has primarily functioned as an R & D company developing their flagship products – proprietary cold-formed steel framing members – whose "open web" design gives it the highest strength-to-mass ratio of any light gauge structural framing material on the market today. Married to a proprietary concrete formulation, these framing members have become the backbone of TMCP's highly versatile pre-fabricated wall and floor panels,

which are 70 percent lighter than conventional concrete panels and possess exceptional strength and thermal resistance properties.

TMCP was founded by Ernest Bodnar, a renowned authority in metal processing machinery, steel rollforming and construction product technologies. Bodnar is also no stranger to exporting. "When I owned B&K International, I exported 80 per cent of my metal production equipment. In fact, I was a customer of EDC back in 1978, when we sold a \$10 million coil coating line to

Prefinished Metals of Toledo, Ohio. Today, most major metal processing companies around the world operate B&K equipment."

Although TMCP had already broken the ice with potential buyers in China, the export of TMCP panels was not expected to become an immediate reality. That changed in a heartbeat when the Mammut Group came to Burlington, Ontario to purchase specialized metal-cutting equipment from Burlington Automation, TMCP's long-standing equipment supplier. "By chance, they told Burlington Automation that they were hunting for a leading-edge concrete panel technology and had failed so far in their worldwide search," relates Bodnar, "Our friends at Burlington, who knew our capabilities, kindly told Mammut we would be worth a look. It turns out we had exactly the solution Mammut was looking for. Two weeks later, I was on a plane to Dubai and returned with our first licensing deal."

The mammoth that appears on the Mammut company logo is a perfect icon of this dominant UAE-based producer of pre-engineered and structural steel buildings. Now, it is reaching beyond the UAE after having built the world's largest pre-fabricated concrete panel plant, with a four million square meters annual production capacity that is expected to grow to six million square meters by 2006. Its products, which will include TMCP's patented panel

technology, will be sold throughout the Gulf Cooperation Council countries, as well as parts of Africa, Pakistan, Bangladesh. It also holds the exclusive license to produce TMCP panels in Iraq and Texas.

But getting TMCP to sell its technology to Mammut involved clearing a major hurdle. "As an R&D entity up to that point," explains Tim McGuire, EDC's Business Development Manager for the Ontario Region, "TMCP had little or no prior revenue history, so they lacked the financial resources to guarantee the performance bond Mammut needed to issue a letter of credit for a multi-million dollar contract."

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Both TMCP and Mammut knew an alternative had to be found in order to save the deal. Now it was TMCP's turn to give someone else a lucky break. "Mammut told us they were looking at securing financing in the United States, which would get around the need for a letter of credit," tells Bodnar. "So I asked them 'why go to the United States when you can probably get financing right here in Canada?' I told them we should talk to EDC first." Northstar and EDC were eager to help.

"I've known Ernie for over 20 years," explains David Little, Senior Business Development Manager for Northstar. "He's been a leader in his field since the mid-1950s, a successful entrepreneur, and I was looking forward to helping him get this



TMCP's ThermAlloy Precast Concrete Panels

Photo: Courtesy of TMCP Building Systems, Inc.

new Canadian technology off the ground. Through our agreement with EDC, we finance export sales of \$5 million or less. If the buyer passes our due diligence and EDC's, EDC becomes our insurer and the transaction goes ahead."

Once Northstar analyzed and recommended the transaction, it was time for more flights to Dubai. Northstar Chief Credit Officer, Milton Spidla and EDC Financial Services Manager David Baron visited Mammut's facilities to conduct their due diligence on site. Credit approval followed soon after.

Since April 2005, TMCP has been busy shipping custom equipment to produce its steel framing members and composite concrete panels. Soon, a new Canadian technological advance will spread to the Arab Gulf, Africa and Asia. "It doesn't stop there," according to Bodnar. "We've signed a licensee for Canada. We're also chasing agreements in China and Indonesia. It's good to know we can team up with institutions like Northstar and EDC to help us do this kind of business."

"It's one of those deals you'll always remember," says Little. "It's gratifying to take a good company with a good tech-

nology beyond the R&D stage and help it sell and compete in the global market place, where it belongs." Tim McGuire agrees: "So many Canadian companies are leaders in their field and it's very rewarding to know you can play a role in their success, including those that are experienced exporters."

With one mammoth international sale on their ledger and surely others to come, TMCP has arrived on the global market place. Only time will tell how great its export sales will become, but one can be certain that EDC will be watching closely, hoping to help Bodnar and his company perpetuate a tradition of innovation and international success. ■

## COMPANY PROFILE

**Company:** TMCP Building Systems Inc.  
**Business:** Manufacturing/licensing of light gauge framing and composite construction products and technology  
**Location:** Burlington, Ontario  
**Established:** 2002  
**Employees:** 13  
**Export Markets:** Africa, Bangladesh, China, GCC, Indonesia, Iran, Iraq, Pakistan, United States  
**Contact:** www.tmcpc.ca



TMCP's ThermAlloy Steel Framing: MegaJoist and DeltaStud

Photo: Courtesy of TMCP Building Systems, Inc.