

*Proposal for:*

**GALVANIZING PROCESS LINE MARKET STUDY  
FOR PLANTS IN THE  
UNITED STATES, CANADA AND MEXICO**

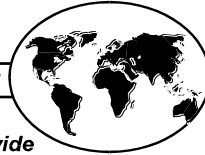
*by:*

**AIM MARKET RESEARCH**



*Providing...*

***Market Research & Development***



*Your Link to the Steel  
and Metals Industry Worldwide  
(Specialists in North America)*

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*AIM Proposal No. 853*

2010

## **OBJECTIVE**

Over the past 21 years, AIM has conducted numerous market studies focused on Rolling Mill and Process Line facilities and other steelmaking technologies. We are again proposing to conduct a contemporaneous market study focusing on Galvanizing process lines in North America. Five years ago, in 2004, we completed a similar study. At that time the co-sponsors included: Busch, LOI, Minteq, Mitsubishi, Noranda, and Tranter. We believe it's time again for a fresh investigation.

By leveraging the interest and financial support of several Galvanizing process lines equipment, consumable materials, and services suppliers, AIM Market Research will be able to do a comprehensive assessment of the current market for Galvanizing process line equipment and applied technologies. Depending on the extent of support and co-sponsor interest, the geographic scope will include the United States, Canada and Mexico.

AIM will conduct an independent market study of requirements for Galvanizing process lines and related equipment, materials, and services. As a result, the sponsors will obtain specific information that will be useful in formulating their marketing and business strategy aimed at these Galvanizing process line operations. This study is primarily intended to target the best opportunities for specific Galvanizing process line technologies, equipment, materials, and services for these installations. This is also an opportunity to assess the market and target prospects for either upgrades, replacements, or new Galvanizing process line facilities.

In 2004, there were at least 60 locations in North America with Galvanizing process line facilities. Consequently, we will include 50-60 of these plants in the study depending on the level of pre-sponsorship support and interest. We will focus on one particular Galvanizing line at each location surveyed.

This study will provide a factual basis for developing an appropriate business strategy aimed at this market.

## **BACKGROUND**

AIM Market Research has completed numerous market research studies focused on the metals producing industry and several of these studies have been concerned with Galvanizing and other process lines. AIM Market Research has the applicable methodology for undertaking and completing this unique assignment.

AIM Market Research has the qualified personnel, industry experience and contacts necessary to perform this survey, and is uniquely qualified to undertake this assignment.

## INFORMATION TO BE OBTAINED IN THE SURVEY

The following is a suggested list of the kinds of information that could be obtained in a market study of Galvanizing process line facilities with the stated objectives. However, the specific scope of information that will be sought will be responsive to the specific interests of firms that agree to be co-sponsors and will ultimately be defined by what is included in the questionnaire that is developed for the sponsors of this project. The questions that are ultimately included in the final questionnaire other than those mutually agreed to by each sponsor and AIM will be determined at the sole discretion of AIM.

The following is a summary of the kinds of information that may be obtained from the survey. However, since the final survey questionnaire will depend on the questions specified by each co-sponsor, the actual questions may differ from that summarized below.

1. Characterize the Galvanizing line selected for the survey, as to the type (HDG, EGL, Galvalume, etc.), capacity, year of original start-up, process line supplier, etc.
2. Determine the scope and supplier of most recent major upgrade, etc.
3. Determine whether the steel being processed is either hot or cold rolled and grades of steel processed on the selected Galvanizing line.
4. Characterize the present level of process control, and examine other drives and automation related issues.
5. Characterize the types of rolls used, how they are presently serviced and where replacement rolls are sourced, and current problems with present rolls and roll suppliers.
6. Characterize the present situation with regard to zinc substrate supply, disposal of top and bottom dross.
7. Determine what technologies (new or established) are considered or planned for an upgrade, replacement, or addition. Plans including, scope, timetable, monies approved, suppliers considered or selected, etc.
8. Determine the current fundamental priorities related to improving the Galvanizing line operation (i.e., improving productivity, reducing cost, environmental control, etc.)
9. Determine what are problems, concerns or issues related to the adequacy of the existing Galvanizing line equipment (i.e., improvements sought and expected major challenges to implementation), and what may be hindering the current performance.

10. Determine whether maintenance services are currently outsourced for this facility, whether the performance of the services are adequate, and if not why? Identify the supplier(s) of maintenance services and characterize the commercial arrangements.
11. Solicit opinions of present suppliers both quantitatively and qualitatively. Identify strengths and weaknesses of present suppliers.
12. Identification of key decision makers who will be involved in the evaluation and selection of Galvanizing line equipment and suppliers.
13. Obtain other related information requested by co-sponsors that relates to this project. The specific requests of the co-sponsors will be accommodated to the extent possible. Each co-sponsor will be given consideration in developing the questionnaire in proportion to their financial commitment. The ultimate content of the questionnaire will be decided at the sole discretion of AIM.
14. An assessment will be made as to which plants surveyed are prospects for the kinds of equipment and services offered by the co-sponsors.

## **METHODOLOGY**

### **The Questionnaire**

A questionnaire will be developed by AIM as the basis for interviewing key personnel at the approved mills. The questionnaire will define what specific information will be sought in the interview portion of the project. The questionnaire will be limited to 8-10 pages, depending on the number of sponsors. As an option, for an additional fee, each co-sponsor will be able to add "proprietary" questions which will not be disclosed or published to any other co-sponsors.

### **The Universe**

A list of companies and Galvanizing process line operations to be contacted in the survey will be developed by AIM Market Research. This will be the universe for the survey and will include currently operating mills in the selected geographic area.

### **Primary Research**

The survey will involve telephone interviews with appropriate and knowledgeable personnel at the contact location. "Profile Reports" based on the results of individual interviews will be prepared and submitted to the sponsors.

## **PROJECT IMPLEMENTATION**

### **Phase 1**

Each sponsor is permitted to include up to 10 questions or issues (comprising about one page - 8 ½ X 11) to be incorporated in a 8-10 page questionnaire which will be the basis of the survey. AIM Market Research will prepare and submit a final draft of these questions to each sponsor for their approval before the survey is initiated.

### **Phase 2**

Upon development of the final questionnaire, AIM Market Research will initiate the primary research (telephone survey), and complete a Profile Report for each plant surveyed. To facilitate immediate follow-up of prospects, these complete profile reports will be submitted to each co-sponsor as each set of 25-30 (at the discretion of AIM) as these profile reports are completed. This data can also be transmitted electronically if desired by the co-sponsor as an excel file or as an Assess database.

### **Phase 3**

AIM will analyze the information obtained in the survey and prepare a final Market Study Report.

## **PROJECT EXECUTION & SCHEDULE**

Work will be conducted on this project from AIM Market Research's offices in Pittsburgh, PA, USA. We intend to initiate the survey by November 30, 2009.

## FEES AND PAYMENT SCHEDULE

“Primary co-sponsors” will be entitled to submit 10 questions to be included in the questionnaire and will receive a customized prospect analysis, the full Market Study Galvanizing process line facilities in North America. In addition, each “primary” co-sponsor will be informed immediately if any “Hot Prospects” for that sponsor are identified during the survey.

Fee (“Primary Sponsor”): ..... \$12,000 each

*We will also consider sponsorship at lower levels. To be considered a “Primary co-sponsor”, the sponsor must commit to a minimum fee of \$6000. This fee is determined by the number of questions the sponsor wishes to specify be included in the survey questionnaire. Essentially, the fee is based on \$1200 per question. Sponsors at less than \$5000 will receive a customized summary report and detailed data derived only from the questions they specified, but they will not receive the full market study report.*

*Proprietary questions can be included, but the fee must be negotiated separately.\*\**

*Payment schedule:* Full sponsors are to pay ¼ down prior to beginning the work; ¼ upon submittal of the first 25-30 profile reports, but no later than 30 days after date of purchase order ; ¼ due upon submittal of the final set of completed profile reports, but no later than 60 days after date of purchase order; and the balance as invoiced upon submittal of final report. All other sponsors are to pay ½ down and the balance in 30 days after order.

\*\* Proprietary Questions are those that will not be revealed or disclosed to other sponsors or purchasers of the report.

## VALIDITY

This Proposal is valid for 30 days and is subject to revision thereafter.