



Tri-City Heat Treat passes half-century mark in RI

Jennifer DeWitt | Posted: Sunday, October 31, 2010 2:00 am

When Rick Damewood took over the family business, he knew well the legacy with which he was being entrusted.

It had always been his dream to lead Tri-City Heat Treat, which was founded by his grandfather, Ralph Damewood, in Rock Island's west end. But what he did not know was that history would have a bad way of repeating itself.

Just two years after Rick Damewood purchased the company in 2006, the nation's economic downturn would bring the heat-treat business nearly to a halt. Many of Tri-City Heat Treat's customers — manufacturers in the agricultural and auto industry — were forced to cut back their own production. The result was they had less need to send metal parts and components to Tri-City Heat Treat for its powerful furnaces to harden or soften to their specifications.

Damewood said the decline began in late 2008. "In July 2009, we bottomed out and were down to 23 employees." The business was forced to lay off two-thirds of its 78-person staff. Those who remained had their hours reduced. "Nobody, me included, was getting paid for more than 32 hours."

That decline nearly mirrored the situation his father, Ronald Damewood, and uncle, Gary Damewood, had faced in 1982 — two years after they bought the company from their father.

"They took over in 1980 and had plans to expand ... then the ag industry in the Quad-Cities bottomed out," Rick Damewood said.

Reliant on the factories that won the Quad-Cities the unofficial title of Farm Equipment Capital of the World, he said Tri-City Heat Treat saw deep declines in orders and lost some customers altogether when manufacturing facilities such as International Harvester Farmall Works in Rock Island closed their doors.

"They had 38 people and were down to seven," he said of Tri-City Heat Treat. "That was when my dad and uncle made conscious decisions to diversify."

Half-century mark

Today, as Tri-City Heat Treat marks a milestone of 50 years in business, Damewood said business is back on the upturn. It is evidenced by the constant red glow of the plant's 40-plus furnaces, which are busy spewing out heat-treated parts for manufacturing customers whose own businesses have picked up.

Although not at the pre-recession employment level of 78, the company has 50 people back on the payroll. It has restored full-time salaries and even has many employees working overtime. Damewood said slight increases in orders began in January and have continued to grow ever since.

The Milan native credits the rebound to the company's strong customer base staying loyal and the diversification of industries that began with his predecessors. Tri-City Heat Treat now serves the agricultural, automotive and military industries.

It heat-treats parts for many area gun manufacturers, including Springfield Armory in Geneseo, Ill., and Lewis Machine in Milan. Other customers include Quad-City companies such as Deere & Co., Moline Forge and Reynolds Manufacturing. Tri-City Heat Treat serves customers in a radius of about 100 miles, with General Grind, in Aledo, Ill., and Metform, in Savanna, Ill., among them.

Damewood also shares most the credit for the company's survival with his lender, First Midwest Bank.

"They stood behind us and we had to borrow a couple hundred thousand dollars," he said, adding that the debt has been paid off. "We're running forward as a company."

But the situation caused "a lot of sleepless nights," said Damewood, the oldest of six Damewood sons and one of two who now represent the third generation in the family business.

Lifetime dream

“This (running the family company) is always what I dreamed of, but I didn’t realize the magnitude of it until it happened,” he said.

Damewood, 52, has grown up with the operation. With the exception of a two-year period from 1983-1985 when he said “my dad sent me packing” to decide what to do with his life, he has worked there since 1974, starting on the production floor. He drove a semi-truck during his two-year hiatus and realized the family business was where his heart was.

But the time away “was the best thing my dad ever did for me.”

Although he had been plant manager before buying the company, Damewood said he still didn’t understand the pressures his father and uncle were under — making payroll and keeping people employed — until he took over. “As I got to the top, the more I thought I knew — the more I didn’t know.”

“My grandfather started this business on the ‘onesie-twosie principle,’ and we’ve never lost sight of that,” he said. In the early days, Tri-City Heat Treat catered to customers with small orders — just a few parts at a time. Damewood said those customers remain in his base of 500 accounts. But today, “we need the large customers, too.”

Inside the 50,000-square-foot plant, workers are putting through about 250,000 pounds of metal a week. “We could do 400,000 to 500,000 pounds a week,” Damewood said. “We’ve been at capacity before.”

While his employees are back to operating three full shifts a day — keeping the 1,650-degree furnaces running and productive, Damewood hopes to be at capacity again soon.

In fact, his goal is to someday have four to six plants across the country. While his expertise is in heat treating, he said some of those expansions might bring new services they do not yet tackle. He is eyeing the Carolinas as a possible expansion site.

New generation

The turnaround is welcomed by Damewood who, more than a year ago, wondered if the company would see its 50th anniversary.

Two months ago, he recruited his brother Chris, a 20-year veteran of the automotive industry, to become plant manager. “I feel fortunate to have someone of his caliber here,” he said of his younger brother.

Chris Damewood had consulted for Tri-City Heat Treat before coming onboard full-time. He brings 20 years of experience with auto parts manufacturer Magna International in central Iowa. His career included stints at Magna’s Williamsburg plant and the past five years as plant manager in Montezuma.

“I came back because Rick has a good vision for how to grow this business and expand,” Chris Damewood said. “I’m here to help grow this business.”

As the two oldest sons, he said they have always shared a special bond. “I think we’re well-suited to each other.”

But Chris Damewood, 50, knows he is no expert in heat treating. “I’m trying to catch up on that. But Rick has a great vision. He’s committed to the people invested in this place and the people on the floor. That’s why I joined.”

The company now has a fourth generation family member on staff with Rick Damewood’s son, Ricky Damewood. The 24-year-old Western Illinois University graduate joined the company 2 ½ years ago. Like his father, he also has the goal of running the business.

“I knew if I wanted the chance to take this over someday, I’ve got to start on the floor,” the younger Damewood said.

Running the furnaces suits him, too. “I like using my hands, working hard.”

And working for Dad? “He’s always fair and good to me,” he said, adding that it doesn’t mean there aren’t times “when we butt heads.”

As for his father’s leadership during the lean years: “It was tough for him, but he turned it around.”