SteelCell Sets Intention and Solidifies Market Presence with Future-Ready Investments

By Torrey Sims

Setting roots down near his hometown in Northeast Georgia over two decades ago, who knew that what now-president and CEO Mike Smith and his team were creating at SteelCell would become a "household name" in the corrections industry. Fast forward 24 years to present day, and the company has grown from \$4.5 million in revenue to nearly \$100 million, diversified its offerings and markets, all while continuing to be a trusted, knowledgeable and high-quality prefabricated, modular cell and permanent structure manufacturer and supplier within the justice sector.

When starting my discussion with Smith, I asked him pointedly, 'Did you ever think this is where you would be?' He laughed, and replied, "You know what, I didn't set out to make a career in the corrections industry, but once it gets a hold of you, it's hard to let go."

Diving into Smith's career further, it's important to note that — with as much success and growth that the company has had — Smith has never lost sight of his good fortune, of those who have supported him over the years, and of his focus on giving back to his community and the employees that have been essential to SteelCell's growth.

"I am so proud of the team we have, and being able to provide an environment for them to thrive makes it all worth it," said Smith.

"I love working in this industry and

introducing new folks to this market. It's fun for me at the end of the day, and it's exciting to see and support the younger generations coming up and making their mark. I feel good about the legacy we have in place."

Recently, to cement that sentiment, SteelCell proudly revealed the appointments

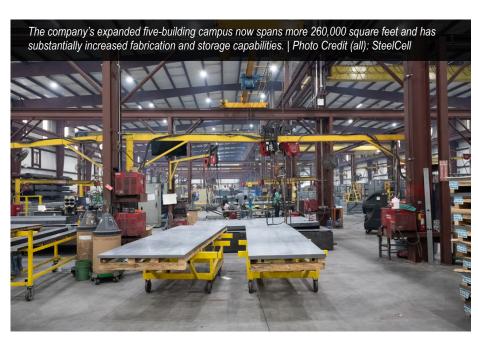


of its key executive staff to further drive the company's vision. The firm also unveiled its newly expanded manufacturing campus and made headlines with a strategic acquisition.

Smart Investments

Making room for an influx of projects and new ventures, recent investments in equipment and facilities have allowed the company to expand its Baldwin-based campus by another 110,000 square feet of new manufacturing, warehousing and office space. The company's expanded five-building campus now spans more than 260,000 square feet. The growth has substantially increased fabrication and storage capabilities to support the demand for both justice and non-justice solutions well into the future, according to a company statement.

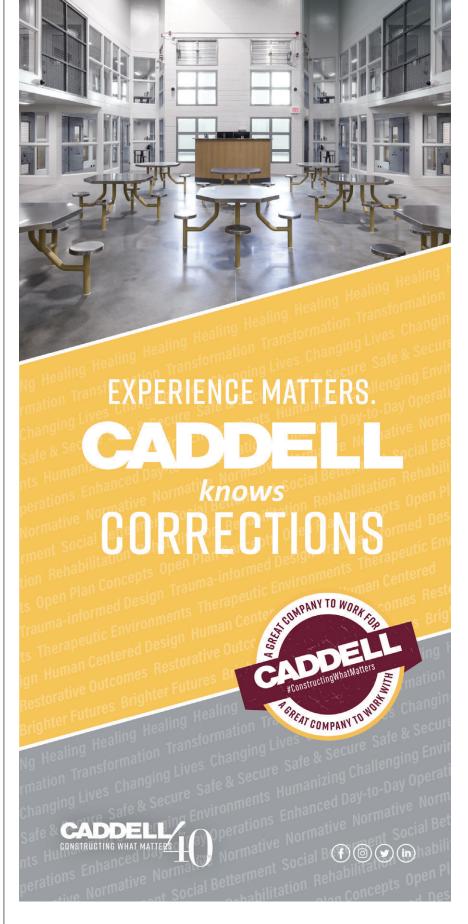
Meanwhile, SteelCell also appointed several key personnel. This includes Stephen Venzon, who was recently appointed executive vice president and chief



operating officer after joining SteelCell as chief financial officer in late 2021. He led several of the company's recent facilities investments and process improvements and in his new role will be tasked with driving several critical initiatives targeting capacity

and capability improvements throughout supply chain and sourcing functions.

In addition, corrections industry veteran Doug Bruhns joined the company in 2023 as vice president of business development. Formerly with Oldcastle, Bruhns has



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25-plus years of experience promoting efficient modular designs and the value of high-quality modular construction. Bruhns was recently appointed to EVP and chief commercial officer, responsible for growing SteelCell's footprint in the justice market and developing a non-justice modular business.

Sheila Davison has also been a welcomed member of the team, joining SteelCell in 2024 as chief human resource officer. She brings over 12 years of experience in human resources to the role and is committed to fostering an inclusive company culture around employee engagement, transparency, workplace management and professional development.

Gordy Hunt, a seasoned sales leader with over 15 years of experience in driving business growth, has also joined SteelCell as the vice president of sales and business development for CareAffirm and non-justice products. CareAffirm is the company's behavioral and mental health line for both justice and healthcare projects. This and other offerings in the non-justice construction market have brought diversification and helped establish the company's VITALSpace brand.

Along with its strategic investment in human capital, SteelCell has been branching outside of its traditional manufacturing capabilities and announced the acquisition of Midwest Portland, a manufacturer of high-security lock equipment. The acquisition will allow SteelCell to include a broader portfolio of custom security components in its base product and service offering.

Midwest Portland has a full line of tested mechanical locks, electromechanical locks, sliding door devices and security hardware to service the detention and high security markets for both new construction and replacement application, according to a company statement. SteelCell is excited to expand its current customer base with the addition of the new product line and plans to develop new products, innovations and possibilities.

Let's Talk Locks

The decision to acquire Midwest Portland was one of deep, careful thought, but also quick execution due to the critical need and nature of the product.

"We started seeing some concerning consolidation in the specialty product arena and wanted to be part of a solution to provide more options to owners and to help fulfill the demand of the market," said Smith. "One thing we realized is that lock technology in our market has not changed much since its inception, so this acquisition really brings in a tried-and-true proven product but also gives us the unique opportunity to scale it up for efficiency and competitiveness."

At the end of the day, Smith believes that competition is healthy for the industry, and the acquisition helps to ensure project timelines and, ultimately, client success.

"We encouraged others to do the same [when it comes to branching out from traditional areas of business in order to fulfill a crucial need], including Willoughby (Locking Systems), so that clients have multiple options available to them," said Smith

Currently, SteelCell is providing its lock (named the "SteelCell Lock" for now, but subject to change as the company builds its new offerings) to interested clients but also continuing to educate the marketplace on all available options for their needs and schedules.

"For the future of this product, it's



really looking more so at utilizing what's there now in terms of its basic, albeit life-critical components, and then innovating through the use of modern-day technology," explained Smith. "Without changing the lock dramatically, we will be able to get more information out of it and make it more useful for the operators. One hope is that we can provide updates to facility personnel to indicate when the lock needs service before it fails."

Building on Expertise

While Smith and SteelCell have been busy with recent company news, they have also been hard at work completing jobs around the country and for several Caribbean Island entities. SteelCell focuses on justice projects of all scales and typologies, from jails, to prisons, to mental health and behavioral health facilities as well as

juvenile and federal projects. In recent years, SteelCell has been a big advocate and provider of solutions for facilities that serve mental health populations and offer new, innovative approaches to treatment and inmate care.

"One of the things we are seeing with incarcerated populations across the board is more and more individuals with medical and mental health needs. We as an industry have been working together to deliver solutions, including developing more 'normative environments' and utilizing light and sound technology, along with strong commitments from the design community to enhance outcomes for those housed in our units," said Smith. "I think everybody in our industry needs to approach the future as if the majority of incarcerated population will fall under the inmate-slash-patient category, and that is something we are going to see across all correctional facility types across state and county lines."

Outside of new solutions for the company, Smith also is very much engulfed in the company's bread and butter manufacturing and supply of modular steel cell units. He sees trends building for larger facilities with additional programming services, including a massive project he is proudly contracted on for Westville, Ind. The new men's facility is set to open in 2027 and will include nearly 4,200 beds, totaling more than \$1.2 billion in construction costs. Other projects to watch include the new Borough-Based Jails in New York City and the facilities' approach to treatment, designing in urban settings, and how the projects inspired discussions on partnerships and win strategies within the larger construction industry.

As SteelCell looks ahead, Smith reminds us that it is never too late to take a fresh look at your product and, rather than be resistant to change, have a growth and solutions-oriented mindset to always stay ahead of the rapidly changing needs of the corrections industry.

For more information about SteelCell or its products and services, please contact Doug Bruhns at <u>doug.bruhns@steelcell.com</u>.

