



as seen in

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**William Polacek** leaned on the government twice. Once to train unemployed veterans, welfare recipients and petty criminals. And once for a \$325,000 cleanup grant, part of Pennsylvania's brownfield program, to expand his Johnstown Welding & Fabrication Industries into a plant once owned by Bethlehem Steel. Fourteen years later Polacek, who started out welding leaky boilers and cracked car frames, employs 400 people and is on track to earn \$3 million on \$90 million in revenue. This guy is something," says Representative Murtha. "He did this on his own."

"I had no other choice," says Polacek, 43. "It was either that or leave town."

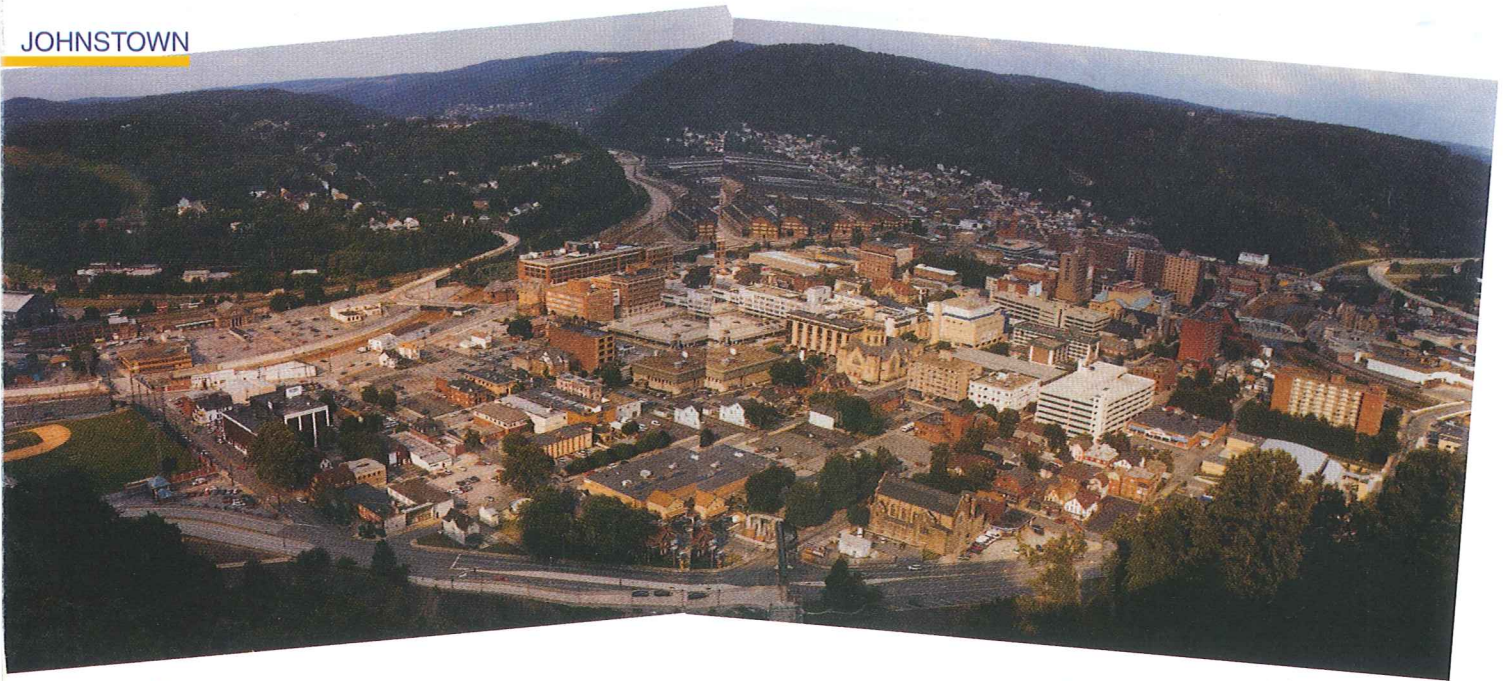
Polacek's grandfather was a "hunky," an unskilled eastern European who stoked Bethlehem blast furnaces six days a week for \$1.50 a day. Bill's dad, a loyal union man, made \$10,000 a year welding iron for Bethlehem, not enough to support nine kids. So he started a small welding shop in his garage, which provided son Bill with a trade that would carry him through rough jobless patches in Johnstown (Bethlehem was a perpetual layoff machine after the 1977 flood—and the cascade of cheap imports) and three years knocking around the South. By 1987 Bill Polacek had built up his welding business to the point of bidding on a job from Bethlehem. Then his dad died soon after surgery to remove a tumor. The funeral was set for the day the bid was due. The night before, "I remember sitting at home, looking at the blueprints," says Polacek. "When he was gone, it felt sort of like a slap in the face to grow up." Polacek got the job and enough new work to build a 3,600-square-foot shop. Within six months he outgrew it, sold it for \$100,000 and prepared to put down money for a bankrupt 60,000-square-foot factory.

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# Open for Business





That's when the environmental police warned him that if he closed on the plant he could be liable for a costly cleanup of slag contamination from the long-idle blast furnaces. Polacek had everything riding on the deal—loans for the factory, new equipment, jobs on the books and pay checks to cut. Hunkering down with his lawyer, he scuttled the purchase transaction in favor of a \$1-a-month lease agreement with the property owner and used the \$100,000 in cash from his old shop to buy more presses cutters and welding machines. After bagging the brownfield grant, he was able to pour a new concrete floor and, for \$30,000, take title to the place.

Five years ago Polacek bought the gutted shell of the original Bethlehem mill, spanning an area as large as nine football fields, for \$1.5 million and invested another \$4 million in new equipment. Today his workers weld bridge trusses, aluminum airplane loaders, deicer booms and heavy equipment parts for dozens of customers, including Ingersoll-Rand and FMC. Johnstown Welding also owns and operates businesses that do robotic welding, laser cutting, protective-powder coating, heavy machining and assembly. His employees share in the bounty. A lifelong Democrat, Polacek pays non union wages of \$10 to \$17 an hour, but shares a portion of any profits that exceed 3% of total sales. Big banners on the factory walls declare: "Zero defects. No exceptions. No excuses." If welders go for four weeks without a mistake, their hourly pay for the month goes up \$1. Polacek says that his best welders can earn as much as \$60,000 a year, including overtime. Four years ago, after a particularly grueling job for aerial platform maker JLG Industries, Polacek flew 100 employees, plus 50 spouses, to Miami and, from there, put them on a four-day cruise to the Bahamas. Says he: "Some of these people had never been on a plane."



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