

Ferrostaal's Von Bulow appoints likely successor.

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LOS ANGELES -- The wheels of succession are in motion at Ferrostaal Inc., as one of the major international steel trading companies operating in the United States prepares to bring in a fourth-generation ferrous trader and entrepreneur as heir apparent to its chief executive officer, Wilfried Von Bulow.

In an appointment which also appears to signal the likelihood of future product diversification for Ferrostaal, Uwe Schmidt, a veteran of Germany's Thyssen AG (now ThyssenKrupp AG), will become executive vice president and chief operating officer of the New York-based trading organization effective Sept. 1. Schmidt currently is president and chief executive officer of his own company, steel and ferrous scrap trader Stahlschmidt Inc. NA, Cleveland.

Von Bulow, president of Ferrostaal, confirmed industry reports of Schmidt's upcoming appointment, as well as speculation that he would be groomed to eventually assume the post of chief executive officer. However, the 64-year-old with more than 40 years' experience in steel and equipment trade stressed that he had no current plans to retire. Moreover, once he does retire he expected to remain with Ferrostaal, possibly as vice chairman.

Von Bulow said that since he arrived at Ferrostaal 20 years ago, "this has become a large corporation and I want to have an orderly succession." He described Schmidt as "a very seasoned trader" who had served in Europe, Asia and North America and would bring experience not only in steel but in coal and scrap trading. "We want to broaden our base," Von Bulow said.

Ferrostaal, which doesn't disclose its financial results publicly, is part of the Essen, Germany,-based Ferrostaal Group of companies, one of the world's largest steel and equipment trading organizations. As current chairman of the American Institute for International Steel, Von Bulow also is one of the most visible spokesmen for the role of imports in the United States.

Schmidt, who started with Thyssen in 1983 in Duisburg, Germany, served in New York, Vancouver and Hong Kong with the former Thyssen Carbometal coal trading organization and also as managing director of the Thyssen Handelsunion trading office in Melbourne, Australia.

In 1989, Schmidt joined the parent's Thyssen Sonneberg Group scrap marketing and finance operation to help spearhead global expansion serving as senior vice president and chief operating officer in New York. When Thyssen decided to exit commodities, Schmidt spearheaded the creation of Thyssen-Continental Resources LLC in Cleveland which later was incorporated into a joint venture with Olympic Steel Inc., Bedford Heights, Ohio, called Olympic Continental Resources LLC. In 1999, Olympic Continental was absorbed by his own company, Stahlschmidt, established two years earlier.

Among Stahlschmidt's activities today are that of a major provider of scrap for Mexican steelmaker Altos Hornos de Mexico SA de CV, as well as a buyer of Ahmsa's steel products for export, a role which Schmidt said made the trader the largest exporter of flat products from Mexico.

As part of his move to Ferrostaal, Schmidt is divesting his shares in the trading division of Stahlschmidt to his brother, Kai-Roger Schmidt, Stahlschmidt's chief operating officer, although he will retain ownership of Stahlschmidt's online and financial services units.

Schmidt's family tradition in steel covers four generations. His father, Hans J. Schmidt, who is now retired, served with Thyssen in a variety of posts, among them president of its Canadian trading operation, in addition to heading his own companies.

Ferrostaal is known in U.S. steel trading circles as one of the few German or international steel traders that has grown in the United States during the past two decades, as opposed to either contracting or being

forced into consolidation with other companies. Von Bulow noted earlier this year that it included more than 115 people in the United States, Canada and Mexico compared with just 15 in 1980.

"What Wilfried has accomplished from ground zero to today is extremely noteworthy," Schmidt said, adding that he was gratified to be chosen to help take Ferrostaal "to the next level."