



The Network News

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Company of the Month



Cortec Corporation

Our March Company of the Month and its founder have received a fair amount of publicity over the years. Rightly so ... the entrepreneurial success of Boris Miksic and Cortec Corporation is something to be applauded.

Cortec Corporation is a world leader in manufacturing a variety of corrosion protection products. The name refers to corrosion technology. As with many members of Tri-State Manufacturers' Association, Cortec Corporation was founded in the proverbial owner's garage - in Hugo, Minnesota - in 1977. Boris Miksic, having a bit of experience in the corrosion inhibitor industry, started a one-man shop with a goal to provide customers with better solutions than were currently on the market. Less than a year later, the company relocated to rented space in downtown St. Paul. Today, Cortec Corporation occupies a 150,000 square foot facility in St. Paul, as well as three satellite locations. The company has grown to \$35 million in sales.

In the United States alone, corrosion costs industry (and ultimately, the consumer) over \$350 billion dollars a year. Many corrosion protection options are less than effective and worse, are inherently damaging to the earth's environment. From its inception, Cortec Corporation has been committed to developing products that are both environmentally friendly and effective in combating the devastating effects of corrosion. Through commitment, hard work and extensive R&D, Cortec Corporation was able to pioneer the application and distribution of VCI (Vapor Corrosion Inhibitor) technology. The company first

developed nitrite-free multi metal VCI products. Then, environmentally acceptable water-based liquids were developed to replace polluting oil/solvent-based coatings. Today the company produces an extensive line of multifunctional products that continues to grow as R&D continues.

The basic manufacturing process at Cortec headquarters in St. Paul involves synthesizing dry chemicals in large tanks. (Because Cortec's products are environmentally friendly, the chemicals aren't harmful to employees.) The chemical-blend is then added or applied to other mediums to create the end product. The product list is extensive; only a portion are described in the paragraphs that follow.

EcoAir incorporates breakthrough technology in the form of aerosol products that are powered by compressed air and not by traditional chemical propellants. The nonflammable EcoAir containers are environmentally and consumer friendly. The Eco family of products includes: vapor corrosion inhibiting grease, handy wipes, electrical protector, water-based rust blocker, rust remover, graffiti remover, and more.

The EcoLine product family is geared towards industrial shops. EcoLine products are based on a

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renewable
resource soybean
derivative
(soybean methyl

esters). Traditional mineral oils are difficult for the manufacturer to dispose of; the low-impact technology of EcoLine allows for easier disposal and the added benefit of adding a layer of corrosion protection on your metals. EcoLine offers an all purpose lubricant; bearing, chain, and roller lube; cutting fluid; heavy duty grease; and more.

The Bull Frog System is marketed as a consumer product to fight rust and corrosion on tools and "toys." Guns, boats, campers, tackle boxes, cars, tools, lawn mowers, motorcycles ... the VpCI Technology found in Bull Frog's extensive product line helps control rust and corrosion on these items and more. Bull Frog's tag line? "Safer for the pond we live in."

Cortec Coated Products Division operates from a 56,000 square foot facility in Eau Claire, Wisconsin. This production center manufactures coated specialty paper, board, and film products for the printing and packaging industry. Its niche in the industry is in custom coating and calendaring capabilities, with the customer invited to work with Cortec on process and product development. State-of-the-art equipment allows Cortec full coating, finishing, and converting capabilities for in-house control of the manufacturing process. The Coated Products list includes: cohesive films and paper, digital imaging, thermal and capsulated coatings, pressure sensitive, clay coatings, barrier coatings, and surface protection.

Cortec offers numerous VpCI packaging solutions to prevent corrosion during the storage and transportation of packaged products. The packaging line includes VpCI paper, film, foam, cushioning, inserts, and biodegradable/compostable products. Traditional anti-corrosion packaging methods are messy, costly, and potentially hazardous. Cortec's packaging products require no surface preparation and no cleaning or degreasing of parts prior to use. The same product works for ferrous and nonferrous metals, providing protection even for recessed and non-contact areas. And, there are no hazardous waste disposal costs. Rather, the products are fully recyclable.

To prevent rust on a roll of steel, a manufacturer may wrap the entire roll in a layer of Cortec film during storage. VpCI treated foam may be used to store jewelry, fine silver, or fishing tackle. A snowmobile manufacturer inserts reusable pieces of foam into cylinder heads during the pre-build process; the foam is easily removed when the cylinder is needed for assembly. Metal parts shipped out for secondary operations need not be coated in oil if the shipping container is a VpCI treated box. Vapors from the box or film or foam - any VpCI treated product - will condense on the surface of the item(s) within and form a

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thin, uniform corrosion inhibiting layer. This layer is self-replenishing, even if the package is repeatedly opened and closed. Cortec's film products are manufactured in Cambridge, MN.

One of the most recent product lines introduced by Cortec is referred to as MCI - migrating corrosion inhibitors - to improve concrete durability. Most concrete structures contain rebar, and structural failure is mostly likely to occur due to deterioration of the rebar. New or existing concrete buildings, roads, and bridges can be coated with MCI paint, and in about one month's time, the vapors from the paint will work through the porous concrete and attach ionically to the rebar to prevent further corrosion. The extended life potential for existing structures is enormous ... Cortec is just now scratching the surface with regard to market penetration for concrete applications.

A tour through the Cortec facility in St. Paul reveals an extensive Research & Development Department with three doctors on staff. The company performs a lot of experimental work with NASA. Cortec products are exposed to salt spray, high heat, and other corrosive factors ... some tests are months and years in the making. About 20% of profits are invested in R&D each year.

The in-house document production center handles everything from producing hard copy manuals and CD ROMs to sorting and bulk mailing service. With such an extensive product line sold worldwide, the company has need for quite a large quantity of brochures and other promotional materials in English and other languages. The company attends about 200 trade shows a year in locations across the globe.

The training center at Cortec is used for in-house training and for regularly scheduled distributor training. Cortec's 180 employees have access to another kind of training as well - the in-house fitness center features a fitness trainer and masseuse at scheduled times each week.

Also of interest at the Cortec facility - an area that provides diplomatic immunity for Croats. Boris Miksic, born and raised in Croatia, serves as Minnesota's honorary Consulate General for Croatia. Miksic recently ran for (and possibly won the title of) President of Croatia ... the election results are still in dispute. Miksic and Cortec have won many awards over the years, including 2000 Entrepreneur of the Year and NACE Distinguished Organization Award in 2001. For an in-depth look at the history of Miksic and Cortec, read the autobiography, *"American Dream: A Guy from Croatia"* by Boris Miksic.

For all of its growth and success over the years, Cortec Corporation shows no signs of slowing any time soon. They've only tapped the surface in terms of fighting corrosion worldwide. Sales are projected to hit \$100 million in the next five years. For more information about this unique company, go to www.cortecvci.com.

By Sandy Kashmark