Reacting to news that 33 miners in Chile are trapped in a gold and copper mine and need to be rescued. Running a $125 million drilling rig company as the economy falls off a cliff. Figuring out the way forward in the shaky world that follows.

For Edward J. Breiner, president and CEO of West Chester-based Schramm Inc., decades of business experience in the U.S. and across the world have taught it doesn’t pay to wait for events to overtake you.

“Take initiative, don’t wait for someone to tell you what to do—if you see a snake, kill it,” says Breiner, 55, who graduated from Bloomsburg in 1977 with a bachelor’s degree in accounting. “In my career I’ve never had someone tell me to stop doing something. I’ve had them tell me to start doing something, so take initiative and the world will follow.”

As the head of one of the leading manufacturers of drilling equipment—drilling rigs used all over the world “to put holes in the ground” for anything from minerals and water to natural gas and oil—Breiner directed his employees to work on rescue plans as soon as he heard about the Aug. 5, 2010, Chilean mine collapse that trapped 33 men nearly a half mile under ground. And he started without being asked.

Immediately after the collapse, a Schramm rig made the initial borehole that located the miners, but Chilean authorities were considering another drilling option for the main rescue. They projected the rescue would succeed by Christmas, but Breiner knew there was a faster way. He was right. The Schramm rig first thought of as “Plan B” ended up breaking through to the miners and making the rescue possible by mid-October.

It was the same “kill the snake” attitude that kept Schramm from going under when the bottom dropped out of the economy. By the fourth quarter of 2008, Breiner was suddenly looking at $20 million in canceled orders. “It was clear something was wrong. This was a liquidity crisis; it wasn’t like other business recessions. I knew we had to act fast.”

Working in manufacturing came naturally to Breiner. He grew up in Easton, and his father worked for Ingersoll Rand as a machinist. Though his father had only finished the 10th grade, he essentially became an industrial engineer without the formal education, the go-to man to solve equipment problems, Breiner recalls. In high school and through college, Breiner worked for the company in departments ranging from boiler-making to inventory control.

Breiner initially enrolled in Shippensburg State
College, but followed his wife-to-be, the former Julie Miller, to Bloomsburg, where they graduated together in 1977. Married for 32 years, they have three grown children, two sons and a daughter.

After graduation, Breiner joined Ingersoll Rand as an accountant in New Jersey before getting the opportunity that would change the direction of his life—an opening at the company’s drill rig manufacturing plant in Garland, Texas. While there, he earned his MBA from the University of Dallas and became certified in production and inventory management. Just as significantly, he worked in various jobs, from managing inventory control to troubleshooting problems.

Accounting taught Breiner discipline and collaboration with employees at Ingersoll Rand and other companies nurtured his interest in working with people. He also learned about dealing with change as the company closed four manufacturing divisions elsewhere and brought the work to his plant. “I loved it: bringing order to chaos. We had fun, and we had people that worked well together,” he says.

He also saw firsthand how technology was making manufacturing more efficient and reducing the number of workers needed. He returned to Pennsylvania as vice president and branch manager for equipment sales at Ingersoll Rand’s offices in Lewisberry, but he could see that the company was continuing to make changes. Eventually, he notes, Ingersoll Rand sold every division he’d been involved with, including the drill division in Texas.

Joining Schramm Inc.

Then, in 2000, Richard Schramm approached Breiner about taking over the drill rig company his family founded in 1900. The fourth generation to run the company, Schramm was 65 years old, had no children and was looking for someone who could take the firm into the future.

Schramm says he met Breiner at Ingersoll Rand, talked with him at trade shows and industry committees and was struck by his natural leadership qualities and overall knowledge of the business.

“When he gets in a group of people who have a task to perform, he comes up with ideas and takes on responsibilities. He’s just a clear leader,” says Schramm, now the company’s chairman and consultant on various projects.

For Breiner, it was the right opportunity at the right time.

“Take initiative and the world will follow.”
—Ed Breiner ’77

“This was the industry I grew up in and knew best, and Schramm is a great business,” he says. “Seventy percent of its revenue comes from overseas and you get to meet people from all over the globe. It was just good fortune that I had the opportunity to structure a leveraged buyout of a company and become an owner.”

Breiner initially became vice president of marketing and, after demonstrating leadership to the satisfaction of Richard Schramm and the company’s board of directors, was named chief operating officer a year after he joined the company.

The timing of the deal also was right. The commodities market was taking off, and money the company borrowed to buy Richard Schramm’s majority stock position was paid off in 18 months. Bookings for new equipment were flowing in and the company, under Breiner’s direction, started expanding into drilling rigs for energy exploration. That business, which includes rigs used for natural gas in Pennsylvania’s Marcellus Shale and Canada’s tar sands, accounts for about 40 percent of the company’s revenue today.

When the Great Recession hit, Breiner’s careful business planning pulled Schramm through. Realizing the drilling business is cyclical, he’d planned for a 30 percent slowdown. But this was different and required the quick action of initial layoffs and careful money management.
“We had no debt going into 2009 and we had no debt coming out of 2009, but we borrowed in between,” he says, recalling a point when the company was burning through $8 million a month with few orders coming in. The long lead time needed for constructing the huge drilling rigs means materials and parts are ordered months in advance. Work continues, even when cancellations come in. “We did make money in 2009,” he says. “I was determined we could ... but we didn’t make much.”

Now commodities are on an upswing, and so is Schramm. Looking ahead, Breiner has been studying carbon sequestration, the process of placing the carbon given off as pollution into the ground. The firm is also beginning to build rigs for geothermal use, in which the earth’s own temperature is used for heating and cooling.

While he’s built his career on taking the initiative, Breiner says he also believes in taking all sorts of jobs within a company to learn the ropes. “In the middle of my career, I spent a lot of time moving laterally in an organization. I took a lot of jobs that weren’t promotions; they were side positions to learn something else,” he says. “The end result was I became a generalist. I recommend anytime you have the opportunity to learn something new, to go someplace different, take it.”

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The Chilean Mining Accident

When the walls of a mine in Copiapo, Chile, caved in on Aug. 5, 2010, Edward Breiner heard predictions that 33 trapped miners might not be freed until Christmas. Without being asked or asking, he directed his team at West Chester-based Schramm Inc. to look for ways to make the rescue happen sooner.

Schramm rigs can be found around the world. Although one wasn’t being used at the cave-in’s site, the crew from a nearby mining company brought in a Schramm rig to make the initial test drillings. Breiner says some Schramm rigs are especially good for the kinds of holes that were needed—the initial holes to find the miners and send water and nutrition to them and the later hole large enough for the thin rescue capsule sent down to bring the men back one-by-one. Schramm drilling rigs, already being used by other companies in Chile, were perfect.

The process, called “reverse circulation drilling,” uses high-pressure air and a hollow stem drill bit. Breiner says. When used for mineral exploration, the bits of earth needed for sampling are sent up through the hollow stem so they can be bagged for later analysis by geologists. For a mine rescue, a drill bit that can carve out a hole is just what’s needed.

As Breiner and his team looked at the options, then-Pennsylvania Gov. Edward Rendell contacted the Chilean government and offered assistance, including some ideas being discussed at Schramm. The Chilean government was interested, and a Schramm T130XD rig was brought to the site by Geotec Boyles Brothers. The crew began drilling a rescue hole dubbed as “Plan B” while efforts using another drilling system were also in full swing. Even NASA was involved, designing the rescue capsule that was lowered into the hole.

“There were things we needed to work out,” Breiner says. “The 28-inch diameter rescue hole was larger than what the machine was designed for, so we had to get with the engineers to make sure it could handle it. Frankly, that’s one of the reasons we sent a technician to Chile for six weeks. We had to adjust the machine so it could pull more weight.”

Finally, after 33 days of drilling—one pass to make a hole a foot wide and the second to get it to the full 28 inches needed for the rescue capsule—the job was done. Four days later, all of the miners were rescued.

Breiner did not go to Chile. He knew he had good people there, he says, and didn’t want to get in the way. To Francis P. McGuire, president and CEO of Major Drilling Group International, the Canadian company which, along with others, drilled to find the miners, it’s an example of Breiner and Schramm’s strengths.

“In cases like this, you always try to put in your most-seasoned people. The Chileans organized it very well, and the Schramm guys fit in very well as part of that team,” McGuire says. “The good thing about Schramm and its people is that they said, ‘You tell us what you want us to do, we’re part of this team,’ as opposed to taking it over.”

McGuire says Breiner’s expertise, attention to customer support and overall knowledge of the business are the reasons his company does business with Schramm and why Breiner serves on his company’s board of directors.

“Why we like Schramm is really service. When you’re out in the middle of Africa, in the middle of a jungle, your machine is down and it’s costing $10,000 a day. it’s important to get your part in 24 to 48 hours. Ed understands that totally. He understands this is a field that has a high service component.”

In the wake of the Chilean rescue, Schramm has offered its expertise to train other companies about responding to mine rescues. Breiner says the Chinese, who have a history of coal mine accidents, have purchased Schramm rigs specifically for use in rescue operations.

“It wasn’t a no-brainer, it was a tough drilling job,” Breiner says of the Chilean rescue. “The interesting part was all the collaboration that took place.”

For more on Schramm, see www.bloomu.edu/magazine.