

A man and a woman are standing in front of large, curved stainless steel pipes at an industrial facility. The woman, on the left, has curly red hair and is wearing a black top. The man, on the right, is wearing a dark suit, a light blue shirt, and a patterned tie. They are both smiling. The background shows more industrial equipment under a clear sky.

BUTTING'S

new team focuses on
progress by tradition

For Butting, 2002 is not only the year in which the company celebrates its 225th anniversary. It will also be the year that a new management takes over the wheel. Relying on more than two centuries of experience, the team will tackle the challenges that a new millennium will throw their way. Rooted deeply in tradition, they plan to keep Butting ahead of competition as a dynamic, state-of-the-art company that focuses on innovation as the best way to serve the customers.

The next generation is taking over this April at Butting, Germany. The seventh generation to be exact, as Mr Hermann Butting occupies the seat that has belonged to his ancestors since the founding of the Butting copper forge in Crossen on the Oder river in 1777. Mr Hermann Butting, already in place as CEO since April 2000, used to work together with his father Dr. Hannshermann Butting and Dr. Karl Schäfer in the management team. Since the first of April this year he will share the responsibility of running his family company with senior employee Mr Thomas Schüller and newcomer Ms Iris Rommerskirchen.

1+1+1= MORE THAN THREE

The members of the new team are relatively young but very experienced. Together, they have everything it takes for a well-prepared start in the management of Butting. Each is responsible for a closely defined niche. Sole shareholder Mr Hermann Butting is not only a welding engineer but also holds a degree in business Management. He took great care to get acquainted with the whole company from the inside by working in different departments for many years. Based on this hands-on experience, he has already started to adapt the organisational structure to the current size and needs of the company.

Mr Thomas Schüller has been with Butting all his life and knows the company like the back of his hand. He was trained in the company as a materials analyst and studied materials technology on a Butting grant. After getting his engineer qualifications, he first worked in the quality control department and then switched to the welding department. After six years of experience as welding engineer he was ready to take over the responsibility of the pipe production from plate as production manager. His specialities are welding techniques and production therefore in the new team he will be responsible for production and technical support.

It was a deliberate choice to also include an outsider in the team, with a fresh outlook on the business. Ms Iris Rommerskirchen holds a Ph D in materials technology and has a vast experience in technical marketing. Next to materials issues she will be focussing on marketing and sales. Ms Rommerskirchen: "Normally, the management of such a company consists of lawyers and controllers. Of course, Mr Butting is a controller himself but he moreover has a technical background. That's a winning combination, to mirror the company's core competences in the education and experience of the board members."

PROGRESS BY TRADITION

Stainless Steel World meets the three executives in the main office of the company, which has been located in Knesebeck since 1946. On this location, 900 employees produce an impressive range of pipes, fittings and pre fabricated assemblies for trade, oil & gas industry, chemical industry and many other miscellaneous markets. Products include simple stainless steel such as 304 and 316 but also more complicated materials duplex and nickel alloys. Furthermore the company can manage difficult cobalt alloys and titanium or aluminium alloys especially for the chemical industry and aerospace industry. Added to that, there is the subsidiary company that Hermann Butting's father founded in Schwedt in 1991, thereby returning at least part of the company to the banks of the Oder. Creating new jobs in what used to be East-Germany was one of his goals. He chose the town of Schwedt be-

from left to right: Ms Iris Rommerskirchen, Mr Thomas Schüller and Mr Hermann Butting.



Butting's facilities in Knesebeck, Germany.

cause it is the largest paper producing region in Germany. Butting Schwedt now has 60 employees and is mostly supplies the paper & cellulose industry, producing vessels but also doing repairs and alterations to existing installations. Even though idealism played a role in starting the Schwedt facility, profit still needs to be made. The twenty million German marks worth of investments in, among other things, a 21 m high production hall and state of the art welding equipment are paying off. The Schwedt mill currently has a turnover of 8 million euro and is enlarging its production also for vessels for the oil- and gas-, chemical, food- and other industries.

The decision to start in Schwedt is a fine example of the Butting philosophy. The family-owned company has always felt and still feels a strong responsibility for its employees. Some families have worked at Butting for generations. Mr Butting explains: "Our motto is 'Progress by Tradition'. We believe in continuity, so that lessons from the past will be of use in the future. We look back on a long history of gathering experience and we always take good care that we pass on that experience on to the workers through training."

In much the same way, parting CEO Dr Karl Schaeffer hands over the torch to the new team after 24 years of working for Butting. "We never considered resorting to takeovers to expand," he states. It is indeed very

unusual for a company of Butting's size to remain family-owned. "Instead we tried to meet the market needs by developing new products and processes. On the one hand we focused strongly on the developments in materials such as with duplex in which we are one of the world market leaders. We took that a step further with exotics and titanium, and in the future we will continue to concern ourselves with special materials."

Mr Butting concurs: "We are able to respond to market needs quickly because we take great care to be a front runner when it comes to technological developments." One example of investing in the future is the new furnace roll that Butting introduced on the Stainless Steel World 2001 Conference. Another recent investment is the Jumbo, a new machine that enables Butting to continuously form and weld coils and plates up to 36". The Jumbo started production at the end of 1999. "No large concern with long lines of decision making would ever dream of investing as much and in the way that we do!", so Mr Schüller.

SPECIAL PROJECTS

A relatively new product is the Butting Bimetal pipe, in short the BuBi pipe, which has been received well by the customers. It will be used in the Bintang Field Development Project for Esso in Malaysia. Ms Rommerskirchen: "They needed a 825 stainless steel, but a solid pipe would be way too expensive and is

impossible to produce. The only possibility was a plated pipe. The whole project amounts to about 10.000m of straight pipe only." Due to the very good bookings in the BuBi-production plant, the company had to invest in the BuBi-production line to increase capacity and to be able to produce BuBi pipes in larger diameters up to 24".

"It's true that we take on a lot of high risk projects, and sometimes they backfire," concedes Mr Butting. "But that is our philosophy: you need to take risks to run a state of the art company, and that includes counting your losses every once in a while." Being innovative made Butting the successful company it is today, and a market leader in many areas though. A prime example of daring and technical experience is an amazing and very novel deepwater exploration project 1000m under sea level, called the Shell Bonga Project, for which clad pipes will be used. Mr Schüller: "In this project, we will weld SCR pipes for the first time, so it is a very innovative project for Butting. The technical demands are high and tolerances incredibly narrow." With 30 tonnes of clad pipe needed, the Shell Bonga project is undoubtedly huge. Since a wall thickness of 28 mm is required, the production process is also a challenge. Ms Rommerskirchen: "Whereas flexible pipes were used in the past, this is the first time that 28 mm clad pipes are introduced for a pipeline at the bottom of the sea in the so-called

touchdown area. On the one hand, the pipe has to be able to resist the gulf stream movements, on the other hand there are the differences in tidal levels to overcome. Moreover, nobody is really sure what exact specifications are needed under those circumstances, so the tolerance estimates are very narrow indeed to ensure reliable operation. We have to make sure that the seams can endure these high/low ratios.”

Besides the program that will be made especially for the Shell Bonga Project to investigate the fatigue behaviour of welded clad pipes, Butting is engaged in a special TWI project group that occupies itself with these specific deepwater problems because the fatigue characteristics of high alloy stainless steel pipes simply aren't yet known. Butting will furnish pipes for this programme.

Another of Butting's unique projects is the production of highly specialised accelerator pipes for the CERN particle accelerator. 15m long half pipes are formed and will be welded together to form a 25km long pipe that holds the accelerator magnets. For the beam screens, an oval shaped, copper plated pipe was needed, partially perforated and laser-welded. Next to the high material requirements other complicating factors played an important role. During the welding of the copper-plated beam screen tubes for example, gloves were worn because fingerprints would reduce the pipe's supraconduction capabilities. Ms Rommerskirchen: "This is a prime example of Butting's high degree of specialisation, not only on the production side but also in the sales departments. We are organised per branch or market, with a specialised sales staff that has all the necessary technical qualifications to advise even a very specialised customer as CERN."

MADE-TO-MEASURE SOLUTIONS

It is clear that Butting does not focus on standard low cost product. Excellent quality, and made-to-measure solutions that ease the burden of the customer are two of many Butting's core capacities. Mr Butting:



Being innovative made Butting the successful company it is today

“One of our strong points is that we are able to pre-produce equipment to a high level in our own plants. That means we need relatively little time and space on a building site, which is very cost efficient for our customers. We prepare the pipes here and deliver just-in-time. Our facility in Schwedt plays an important role in this as it enables us to deliver both pipes and vessels. This way, the customer doesn't need to worry about communication problems with other contractors.”

In Schwedt, the technical sales people are personally responsible for every project as a whole, from giving quotes and buying materials to the actual production and delivery. "I am a strong believer in processes with as few break of points as possible," explains Mr Butting, "so the whole project is concentrated around the project engineer, which means a customer always has to deal with the same person at Butting. It is an ideal situation. Unfortunately, the projects at our Knesebeck plant are too large to follow that same method. But we do try to keep the lines short here as well. That was one reason for reorganising our sales department according to markets.”

As a family owned company, the new Butting management enjoys and appreciates the advantage that it is not accountable to shareholders. Mr



In Schwedt, Germany, Butting has its own fabrication shop for vessels.

Butting: "We can permit ourselves a long term view on business. We can take risks and calculate chances more freely, keeping the future in mind and not just our remunerative rates for the next shareholders' meeting." His colleagues agree wholeheartedly. Ms Rommerskirchen: "We definitely watch the market closely and keep

our eyes peeled for new niches. Flexibility and versatility are our driving force, so we are always at the ready to respond to new challenges regarding materials and production techniques. That is where our chances lay.”

Mr Butting: "What distinguishes us from others is that we are definitely not a large concern with ten year plans. The core of our strategy is focussed on answering one question: what does the market or the customer need? We don't know what the future will bring, but here at Butting we do know we are prepared for whatever will come. That is the way we want to run this business. Our goal is to still be around 25 years from now. I am looking forward to the day that I can proudly hand over Butting to the next generation.” ◀

FACTS & FIGURES

Name:	H. Butting GmbH & Co. KG,
Location:	Knesebeck and Schwedt, Germany
Employees:	960
Products:	Pipes, fittings, vessels and pre fabricated assemblies
Applications:	Trade, oil & gas, chemical industry, paper and cellulose industry
Turnover in: 2001	€ 145 million
Website:	www.butting.de