

GMT

A passion for titanium



by Miel Bingen

On the rough and weather-torn coast of Western Norway, you will find one of the leading titanium traders in Europe. Despite its remote location, GMT has in a very short time developed into a major player on the global titanium market. Stainless Steel World wanted to know more about GMT's drive for efficiency, the Scandinavian mentality and a passion for titanium.

During the 90's titanium was booming in the Norwegian offshore industry. With the Troll and Heidrun platforms that made extensive use of titanium for their seawater systems and many other applications, trading titanium was a profitable business and many tried to get a piece of the cake. Whoever traded metals traded titanium on the side. With the establishment of GMT, things changed significantly. For GMT titanium wasn't just another product to complement their product portfolio, selling titanium was GMT's exclusive focus. Stainless Steel World went to Bergen, Norway to talk to founder and Managing Director Roger Sjø-



The sea has played an important role for GMT. From left to right Ms Yvonne Torgersen (Accounts Manager), Mr Ørjan Lindøe (Sales Manager), Mrs Fiona Perrins (Managing Director of GMT UK), Mr Roger Sjømark (Managing Director) and Mr Bal Singh (General Manager of GMT UK) in front of the North Sea.

mark, Sales Manager Ørjan Lindøe and Fiona Perrins, Managing Director of GMT UK.

'At the end of '95, GMT was founded because there was an opportunity to sell titanium here in Norway. The idea was to focus only on titanium and to be totally devoted to the material, which was quite unique for Norway at that time. Although there were many traders and stockholders that sold titanium as a by-line there was a clear need for an independent titanium specialist as a lot of expertise is involved in stocking and selling titanium. GMT jumped into this gap and has built up quite a significant business with its small but dedicated sales force through the years,' Mr Sjømark explains.

According to Mr Lindøe, Norway is the place to be when it comes to CP-titanium. 'Thanks to the demand from the offshore industry in the North Sea procurement officials will without any doubt find the best availability of CP titanium right here in Norway. Also the turnover is high. End users need titanium at short notice all the time and often the business is project based. This made an ideal breeding ground for GMT to assume a role at the heart of the titanium business. Because of our high level of knowledge on technical matters as well as commercial, legal and administrative aspects we are in a position to deliver materials and products very quickly. Often even our competitors come to us because we can supply products to them in a matter of hours which no one else can supply in weeks.'

Taking things further Mrs Perrins says that the basis for GMT's success is its capability to offer complete packages to customers anywhere in the world. Where many other companies will supply what they have in stock GMT will supply everything the customer asks for. Its ability to source a complete range of titanium products is vital. When products can't be readily found GMT will make sure those products are made. Through its network GMT has access to a wide range of services, which enables the company to offer anything from mill quantities of titanium for the offshore industry to 5 centimetre high spikes for loudspeakers. Also in looking for new sources of titanium GMT has done some groundbreaking work according to Mr Sjømark. 'Sourcing cost efficient and reliable suppliers of titanium is essential for our customers. We were one of the firsts to look at China as a source for titanium. My first trip to China was back in 1992. At that time many were very sceptical about the Chinese titanium industry. There had been a great internal demand for the material for years though and the Chinese were certainly not inexperienced when I first visited China. It took quite some time and patience to understand the business culture in China and to complete some "supplier development work" before we could introduce Chinese titanium to the Western world. It has entirely paid off though, we are still conducting business with the people I met in 1992 and we have placed a substantial amount of orders with Chinese suppliers through the years. The same goes for all our suppliers, regardless of where they are located. Our aim is to achieve a partnership with our suppliers, as we believe it is vital for the success of our business'.

TECHNICAL EXPERTISE

Another distinctive feature of GMT is its technical expertise. Although GMT is only seldom involved in true business development, GMT's staff heavily participates in technical discussions with the customer Mr Lindøe says. 'We want to be involved in the technical matters with our customers because we feel that our technical and commercial expertise can contribute to the success of a project. Although our customers generally understand the material very well, often we can contribute with new insights. We feel it is our responsibility to advise our customer if a particular grade of

material is suitable for an application, or if another titanium grade of material would give a better performance or be more cost efficient. In this respect it is very important to know that GMT is totally independent. We are and have to be a fully independent player in order to fulfil our role'.

To illustrate GMT's abilities Mr Sjømark refers to the Goro nickel project. The Goro project needed 800 grade 12 flanges in the range from 4" to 24" of a very specific design for high-pressure applications. These flanges hadn't been made on such a large scale ever before; GMT in co-operation with Multiservice A/S was brought in by Steelproducts Offshore A/S because of GMT's technical and commercial expertise. GMT was involved in the whole chain of supply from raw material to finished product. We advised on material issues, including recommending where to get the material at a competitive price and with a reasonable delivery. Subsequently GMT shared knowledge with the forging shop that did the actual manufacturing. As Mr Sjømark remarks, GMT added value to the project by providing the best combination.

Another innovative project Mr Lindøe is particularly proud of is the titanium exhaust coolers that GMT supplied for ferryboats. GMT was contacted by the shipyard when they realised that titanium performed extremely well in seawater conditions. Even though the titanium system was more expensive from a capex point of view, total lifetime costs turned out to be lower due to a total absence of corrosion in the new system. Other fields where titanium might be an efficient solution according to Mr Lindøe include titanium for corrosive chemicals, seawater systems for ships and technical equipment for subsea.

Mr Sjømark: 'Titanium will replace stainless steels more

and more in corrosive environments and when saving weight is an issue. It has also become an alternative to aluminium when high strength is required. People in the onshore industry have become more open to use titanium as an alternative material. A lot of knowledge has been transferred from the offshore industry to the onshore industry. You can compare it with the car industry where Formula 1 acts as a breeding ground for new developments which are later adapted for use in normal cars. Other applications where Titanium has become a very fashionable material to use are golf club heads, spectacles, bicycles, laptop computer casings, watches, exhaust systems for motorbikes to name just a few'.

VALUES

Behind all this though there is quite another driving force that Mr Sjømark and his colleagues feel is responsible for the success of the company; the Scandinavian mentality. 'When living on the outskirts of the world as we do here in Norway other values seem to matter. We have learned through the years to do much with close to nothing and how to be careful with our resources. Therefore there is much more interest in performance in the long term. This also holds for the way we do business. We are not in it for short-term success or to establish a big company overnight. What is important to us is building a sound and reliable company that lasts. We are in it for the long run.

Consequently the human resource is valued highly at GMT and the company prides itself in the long term relationships that it has established through the years. The company has been able to create a caring culture for customers, suppliers and staff and feels it is important to take time for the people

involved in their day to day business. This doesn't mean there is room for a laid back attitude though. On the contrary, GMT's staff are willing to go the extra mile for customers. Flexibility makes the difference and GMT prides itself in knowing that when people place an order with GMT they can trust on the company to deliver.

UNITED KINGDOM

Even though there are many advantages to Norway there is one major drawback, Norway is not a member of the European Union. Therefore a lot of time and money had to be invested in overcoming paperwork and tax barriers. The next step was needed and as the United Kingdom had always been a good market it was a logical next move to look for people there to start GMT's first offshore company, GMT UK. Mrs Perrins: 'When Roger contacted



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Bal Singh and myself 4 years ago with the idea to start GMT UK we were extremely positive towards the idea. From my earlier work in the titanium business I knew that GMT had a solid concept and an excellent name in the business and it was a true challenge to take that further in the UK'.

Even though the concept might be right GMT's staff soon experienced that doing business in the UK is quite different from how things are run in Norway. 'Even though we had a proven business concept and excellent results through the years, financing GMT UK wasn't easy', Mrs Perrins continues. 'Banks were virtually unable to support the initiative without guarantees that went significantly further than anything Roger ever came across in Norway. Therefore we were particularly pleased that GMT Norway also gave us the financial backing. Number one in the list of valuable assets that we have received from Norway was GMT's business culture. We inherited the same drive for efficiency and emphasis on personal contact as our Norwegian parent company and, not to forget, the pleasure we have in doing business.

All in all business is thriving for GMT UK. Targets that seemed way too optimistic to the financial experts of the banks were easily met in day-to-day practice. Mrs Perrins: 'The experience we gathered in establishing GMT UK has been very positive. It is a true source of inspiration and we will definitely look in to other opportunities in Europe where we can support highly motivated and capable people with a heart for titanium'.

ISO

Talking about the future of GMT Mr Sjømark remarks that business will become even tougher and that this will require quite some flexibility from GMT and other suppliers. 'There are several trends within our industry that will make business life more uncompromising in the coming years.

Lead times have gone down considerably in the past years and our customers often will only pay for the material they really need. Therefore cut to shape pieces have become quite normal these days'.

Mrs Perrins adds that there is also a trend for customers to go straight to the original source of the material. 'Due to the increased pressure on customers to reduce costs there is trend amongst customers to circumvent traders and stockists and go straight to the mills. Therefore we have to justify our role in the supply chain. We have to show that we truly add value to our products. I.e. delivering titanium products from our own stock within a matter of hours'.

Mr 'Sjømark: 'Even though the picture just painted sounds rather grim, we at GMT feel these developments are not all negative. It forces us to become even more efficient. Therefore our newly acquired ISO approval is so important to us. On the one hand our suppliers expect us to be approved and wouldn't do business with us if we were not. They need certain guarantees, also to show that we can service customers in an optimum way, and ISO is one of them. At the same time it helps us to be more proficient. This again supports us in our effort to service the customer more effectively. Attaining ISO approval for a company of a limited size such as GMT is quite an investment. It is also essential nevertheless as we want to be efficient and are in business for the long run. As true Scandinavians we want to be around the day after tomorrow living in friendship with our customers and suppliers and our ISO approval helps us in attaining this goal'. ◀

FACTS & FIGURES

Name: GMT Norway A/S
 Founded: 1995
 Location: Bergen, Norway
 Products: GMT delivers all Titanium products and specialises in complete packages, allowing the customer to get everything from one source: bar, forgings, pipe, fittings & flanges, valves. Waterjet cutting of plates available.
 Markets: Europe, (excluding UK, Ireland) Far-East, America, Africa, Australia.

Name: GMT UK Ltd.
 Founded : 2000
 Location: Birmingham. England
 Products: GMT delivers all Titanium products and specialises in complete packages, allowing the customer to get everything from one source: bar, pipe, fittings, fasteners, sheet & plate, jig.section, wire. Inhouse cutting & machining available.
 Markets: UK, Ireland, India and The Middle East

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