



An overview of the plate section at Sosta's production facilities in Konern, Germany.

Sosta

Manufacturers of austenitic, duplex and nickel alloy welded stainless steel pipes

Acquired by Arcus Holding BV in 2004, Sosta is an up beat, modern and dynamic manufacturing company situated near to Leipzig in eastern Germany. This manufacturer of high-quality austenitic, duplex and nickel alloy welded stainless steel pipes has established itself a firm footing in the global oil & gas, petrochemical and chemical industries. In an interview with Mr Roel van Paassen, Managing Director, and Mr Edwin Saathof, Director, Stainless Steel World gained an interesting insight into how the Sosta team has used investments of time, energy, money and enthusiasm to form such an efficient, highly-productive and ambitious company.

By Sarah Thompson



Mr Edwin Saathof, Director (left), Mr Roel van Paassen, Managing Director (middle), and Mr Olaf Ziesmann, Production Manager (right).

In a fascinating tour of Sosta's manufacturing facilities in Könnern, Germany, Mr van Paassen and Mr Saathof were clearly proud of the investments that have been made in the manufacturing facilities since its acquisition in March 2004. "The acquisition of the mill presented a unique opportunity for us that was exactly in line with our growth strategy," Mr van Paassen began, "and we felt it would be an ambitious and challenging opportunity which we couldn't let pass us by". Acquiring the Sosta manufacturing facilities has turned out to be a well-timed and successful decision." In acquiring

Stainless steel pipes

the Sosta mill, Arcus Holding BV established the daughter company known as Sosta B.V to carry out the commercial activities.

With their years of experience in the trading of stainless steel pipes worldwide, Mr van Paassen and Mr Saathof have dedicated the past year to investing in technologies, test facilities, personnel, training and management strategies which have turned the Sosta mill into a highly efficient, well-run and productive company. Mr van Paassen continued: "We had been working with the mill in Könnern since it was built in 1995, but owning and managing it is a completely different story. We decided to keep on all of the original personnel because of, in most cases, their ten years of experience in the mill. We have 70 highly-trained technical staff members who

work in 3 shifts, six days a week. The expertise that our staff has developed over the years is irreplaceable, and we see it as one of our most valuable assets."

Being a small sized company, all of the staff are involved in the large projects and smaller orders that come into the mill. By holding regular meetings, keeping all the staff informed about where the products are going to be delivered to, what the application will be and so forth, the team remain motivated, always giving one hundred percent effort. This was more than evident at the mill in Könnern.

WELL-EQUIPPED

On top of its highly-motivated and dedicated team, Sosta has invested in new machinery to enhance the production process. Mr van Paassen elaborated: "We acquired Sosta in a so-called asset deal, which means we took over both the land, buildings and machines, as well as the staff. At that time, Sosta was operating as a production company, without support from a back office. It was our goal to integrate Sosta, with its own staff, as quickly as possible within our Group and, in view of the commercial potential of the Arcus Group, to base all commercial activities in the Netherlands. Because Sosta lacked essential departments such as book keeping, planning, quality control or a laboratory we had to focus on both the basics needed to run the company, as well as the technical enhancements that were essential to production."

Mr Saathof continued to explain that the "old" Sosta was a company geared to servicing local markets, working to local specifications. However, Arcus had identified a completely different goal for the company, focussing on the export to oil and gas related markets around the world. Mr Saathof: "The consequence of all this was that the existing specifications and regulations as well as the documentation would change dramatically, demanding an entirely different commercial and technical approach. Technically it meant we needed to optimise various production processes to achieve a maximum output, catered to our segment of the market. To achieve this we have invested in an upgrade of the production facilities, storage capacity and electricity supply as well as of our office facilities. All manufacturing processes are now carried out in accordance with international technical delivery conditions and with customer's specifications.

SCIENTIFIC

"Another large investment that was essential right from the start was onsite laboratories. We now have a high-end mechanical and chemical laboratory." Mr Saathof continued. "Our goal was to produce fully inspected pipes ready for distribution into industries with stringent application specifications. We firstly implemented a new IT network and efficient communications system for communicating with our sales offices in the Netherlands. We implemented an all-essential quality assessment system and hired an expert quality manager." The next step was to build the test facilities.



One of the continuous forming and welding process lines for welded stainless steel pipes manufactured from coil.

The mill now has its own in-house material-testing facilities and a quality-testing laboratory. Mr Saathof: "The mill is well equipped to perform a wide variety of both destructive and non-destructive quality tests. Destructive testing includes tensile tests, impact tests, bend tests, hardness tests and corrosion tests. For the purposes of non-destructive testing we have at our disposal state-of-the-art equipment for ultrasonic and radiographic examination, Eddy Current testing and hydrostatic testing. We do not want to only monitor quality standards, but constantly ensure that we can guarantee our customers, and maintain, the highest possible standards."

All of Sosta's products and facilities comply with ISO



The base material is formed into a pipe in a three roll bending system and subsequently welded by fully automated welding equipment.

Products and production

Sosta produces welded stainless steel pipes from coil as well as from plate. During continuous production from coil, in one single operation the base material can be formed into a pipe, welded, heat-treated and subjected to non-destructive testing. All welding processes are controlled by laser seam tracking equipment to optimise the quality of the weld seam. Production from coil can be used for pipes with a diameter between 6" (168,3 mm) and 20" (508 mm), a maximum wall thickness of 0,5" (12,7 mm) and a maximum length of 12 m. For the production of pipes from single stainless steel plates, the base material is formed into a pipe in a three roll bending system and subsequently welded by fully automated welding equipment. Using this production technique pipes can be produced with a diameter between 16" (406,4 mm) and 80" (2032 mm), a maximum wall thickness of 1" (25,4 mm) and a maximum length of 12 meter with circumferential weld. In addition to the manufacturing of welded pipes in the standard austenitic grades, Sosta has excellent facilities for the production of nickel alloy, high temperature and duplex grades.

9001 –2000 standards, TUVCert 2004, Lloyds, TUV TRD 100, PED and ABS. Mr van Paassen: "We are focused on the requirements of our target markets; the oil and gas industry, the chemical and petrochemical industries, as well as shipbuilding, and with our current production facilities, we can fulfill all of those requirements."

DEDICATED

Concentrating on welded pipes of a wide variety of stainless steel grades, the mill can produce welded pipes from both strip and coil, giving Sosta the flexibility to manufacture to a wide variety of markets. Mr van Paassen elaborated: "We have a lot of experience in the oil and gas, chemical and petrochemical industries. We are dedicated to producing pipes for, for example, LNG gas plants, loading and receiving terminals for gas installations, LNG tankers, as well as duplex flow lines and other linepipe. Our customers include the major oil & gas companies, engineering companies and project traders. In contrast however, Sosta also manufactured pipes for The Millau bridge, the tallest bridge in the world, in Millau, France and is also becoming more involved in newly emerging markets. "Our expertise is broad, extensive and based on years of experience working in these markets," Mr van Paassen added. "Take this recent project as an example," Mr Saathof begun. "Sosta supplied 22 km of 22 Cr duplex stainless steel flow line for a gas gathering system in Nigeria with an outside diameter of 8" and a wall thickness 8.7 mm. These pipes have been manufactured from strip in a continuous forming and welding process and have been tested in accordance with API5LC. Duplex strip in 8.7

mm is the thickest strip size available in 22 Cr Duplex. The combination of size, material grade and testing specifications require a maximum effort of people, equipment and testing facilities. Due to our modern facilities and dedication we are one of the very few pipe mills who can fulfill the technical aspects of such a job and at the same time can offer a costs advantage based on the efficient production methods."

Geography is also important at Sosta. Even though they are based in eastern Germany, the mill produces pipes that reach the farthest corners of the globe. "Our core markets are spread across all continents. We go where the projects are. This can take us to the Middle East and Asia, Russia, Malaysia, Korea, America, the UK and even our home country, the Netherlands. In short, across the world."

PRODUCTIVE

All of these investments have meant that production at the Sosta mill has reached an annual capacity of 10,000 tonnes. In fact, Arcus Group has tripled its turnover in the past three years due to the acquisition of the mill and its new activities. Mr Saathof: "This increase in production has meant that we can now offer our customers reliable lead times and an efficient reliable and flexible service. When we say we will deliver the goods, we can guarantee that the customer's products will be ready on time."

Sosta also has a large stock of pipes up to and including 20 inch. Mr van Paassen: "This enables us to offer an extra service to our customers, meaning that for every project we take on, we have a certain quantity of extra production that we put in stock. This saves our customers having to always have specific pipes produced from scratch. We do all in our power to meet all of our customers needs, however demanding."

SERVICE ORIENTED

In addition to increased productivity and efficiency and guaranteed high-quality products, Sosta also guarantees its customers with the flexible, dedicated and efficient service and comprehensive after sales support. Mr van Paassen concludes. "To round off the reinvention of Sosta, we are proud to be able to offer our customers exemplary service. We like to take care of even the smallest of details. We ensure that all products manufactured by only the most dedicated staff, and we carefully package all our pipes to prevent damage before shipment. All of our products are quality assessed by our Q&A team and we don't let a single pipe leave the mill unless we are satisfied it will meet the industries stringent requirements. Our sales organisation gives the maximum service to our customers from the tendering stage, all the way through to after sales support and providing any additional documentation, paper work or technical information and advice. Our interest doesn't stop when the order has been booked. We want to support our customers right through until the project is complete." More than satisfied with the company's accomplish-



ments over the past year, Mr van Paassen and Mr Saathof are still hoping to build upon the strong footing that Sosta has established in their target markets. "We hope to, in time, expand our product range by introducing smaller pipe diameters as well as more grades of stainless steel and special metals. We also have plenty of space at the mill to expand the facilities even further. We will no doubt look for opportunities to expand our global reach, and perhaps even grow into new markets. It is an exciting time for us here at Sosta, who knows what might be around the corner." ■

Facts & Figures

Company name:	Sosta
Head offices and sales:	Dordrecht, The Netherlands
Production facilities:	Könnern, Germany
Built in:	1995, 1998
Plant space:	
- inside mill:	18.000m ²
- outside:	25.000m ²
No. employees:	70 employees
Products:	Welded stainless, duplex and nickel alloy pipes
Production:	
- Coil pipes:	10000 tons per year
- Plate pipes:	2000 tons per year