



## IPP Group: expansion through acquisition and manufacturing

In 2006 IPP Europe was just two people working from a garage in the UK. Seven years on and the global mother company is a truly international concern employing more than 180 dedicated and very motivated staff in Europe, Australia, Singapore, Thailand, the Middle East, and the Americas. Today, it is a serious world player in the oil & gas, chemicals & petrochemicals, shipbuilding and nuclear industries. Stainless Steel World recently visited company headquarters in Barton-under-Needwood in the UK to discuss the startling story behind this success with CEO, Jared Ayres, and some of the staff members that have contributed to making the company what it is today.

*By John Butterfield*



considerable uphill challenge,” begins Jared.

It was at this point that he called up a good friend and business partner in the US, Paul Hagggar, the founder of IPP. Paul had already made a name for the company as a global carbon steel pipe stockist but Jared convinced him he could take the IPP brand global – starting out with opening a European branch in the UK.

### From trading to stocking to manufacturing

Beginnings were humble. Nevertheless, within a short time span Jared was able to take on some large orders across the world, especially in duplex and super duplex, which enabled the company to expand. “It was important for me not to be just a trading company,” relates Jared “since even in 2007–2008 the general economic situation was becoming recessed and for us it meant dropping inquiry levels. We further realized that the world was rapidly becoming a smaller place making trading more difficult so we drew up a definite plan to give ourselves a focus specializing in stocking pipes, flanges, and fittings in duplex and super duplex grades, and using profits we had made in previous years to do this. These grades were also those that I had the most knowledge about. It was not long before people in the industry automatically began to think of IPP Europe as a supplier of duplex and super duplex grades. This also further catalyzed our business growth.” In 2008 a golden opportunity arose when Jared and Paul took over a struggling

backstreet fittings company called Scomark. Since then, they have turned it into a leading manufacturer in the UK, selling its products on a worldwide basis. Jared: “We had not expected that this success would happen so quickly. One of the key reasons, however, was that we already had major approvals like Norsok M650 edition 4, ExxonMobil approval EMDC, and last year we also gained BP approval, which has enabled a lot of work to pass through our doors. In 2009, we, won a large project from a large EPC for a Petrobras FPSO project, which meant that during the global recession we didn’t really experience any setbacks at all.” This permitted them to eventually acquire IPP Scomark, a pipe fitting manufacturing business dealing primarily with duplex and super duplex. All of a sudden they were not just a stockist but a manufacturer. Most of their customers were either competitors or stockists wanting to fulfill small orders but they saw the ability to develop this company into one of the world’s top manufacturers of butt weld fittings and concentrated on supplying super duplex, duplex, and nickel alloys products. Getting the quality right for end-users was particularly important so that the latter would know that when they bought from IPP Scomark they would get a problem-free fitting, which had been quality tested and thus would last. Throughout 2010 the company consolidated its position and towards the end of the year they negotiated the takeover of a company called Mardale, renaming it IPP Mardale. Mardale was

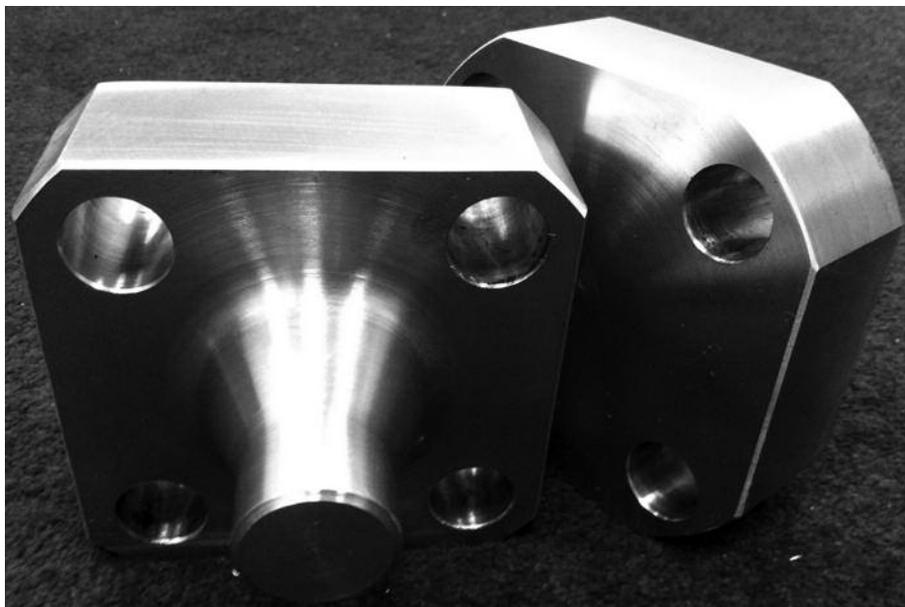
### A brief history of IPP

International Piping Products (IPP) was founded in 1994. However, the seeds of the true success story really date back to 2006 when Jared Ayres, their CEO, ended a two-year sabbatical period and began to make plans to re-enter the steel industry. “Things had moved on while I had not been working and global metal prices had risen dramatically. As a result, I could no longer rely on my previous market knowledge and expertise, which



Jared Ayres,  
CEO of IPP.

had enabled me to price almost all types of steel commodities on recall. I was certainly under no illusion that creating a new market position from scratch was going to be a





specialized in supplying pipes and fittings and integrated flow loops to the major players in the Subsea Industry. This enabled them to obtain a good reputation in welding super duplex, which many fabricators have difficulty with, so again new markets were opened up for IPP. IPP is now a major player in the Subsea Industry, supplying growth through to the mother company, IPP Europe. IPP's potential for the future is very strong.

Further expansion also took place in 2010 with the opening of IPP's Perth Division in Australia. Jared: "It is a good location for doing business being close to the reserves off the North-Western Australian shelf. And we managed to persuade Perth locals, Paul Harlick and Peter Marcar to head up the company with the ability for them to have local ownership."

Just months after opening the Perth base IPP opened operations in Brisbane with Jason Berg as MD. Jared: "It was hard going for both Australian offices for the first six months but during this period we gained all the quality approvals needed to get us on 'everybody's' order books, so now business is booming for us there. To date Brisbane has been our most successful company."

June 2012 also saw Scomark Engineering – a key quality fabricator of duplex and Super Duplex Manifolds and Pig Launchers – being added to the emporium, providing pipes and fittings to industries through the mother company. "The company already had thirty-to-forty years of experience working with 'difficult' metals, and in the manufacturing of

manifolds and pig receivers. They had more than 1200 weld procedures in stock. So by bringing the knowledge and fabricating experience of the two Scomark companies together we were again able to open up further markets. Looking at the group today from where we have come in 2006, it is amazing what we have achieved through acquisitions and key manufacturing locations for products."

**Fast track and flexible**

One of the reasons for the outstanding success is that the company guarantees fast track deliveries. In practice this entails having a team flexible enough to stop what they are doing and, if necessary, switch production to produce something

that may be needed very urgently by a client – whatever it is. "But it is more than this," says Jared "today's industry is not just about timely or speedy deliveries but also about the delivery of quality products with all the necessary certifications in unison. This is what the IPP Group excels in."

The backbone of the company is a team of highly qualified and skilled professionals, hand-picked for their industry knowledge and expertise. Many of them have brought many years of experience from other major manufacturers to IPP. It is this unique combination of product knowledge, materials, and capabilities, underpinned by strong relationships with key industry manufacturers that make IPP the world



leading manufacturer and supplier they have become.

To further guarantee excellence the company has expanded its quality team with design engineers and with technical staff to make sure that their products are fully checked before leaving the premises. Considerable testing is already carried out onsite (they have their own dye pen and carry out ultrasonic, PMI and ferrite testing) but soon they intend to construct their own state-of-the-art test facilities, which will further speed up delivery times to customers.

### Committed to the environment in a practical way

"Taking about their approach to the environment," says Jared. "we try to be very practical and hands on. We do things in the most efficient way whether in terms of manpower, energy, utilities, or the way we use our machines. Our philosophy is to do the right things not because the Government dictates it but rather because it is the absolutely right thing to do for IPP and our customers."

### What is the secret of IPP's success?

"It's relatively simple," says Jared "we look to trust our staff and provide them with the opportunity to grow personally and job wise. When they join the IPP Group they are therefore actually building their own family future with us. We have, for example, shareholder policies in which local directors can participate. This has helped us attract a high caliber of individuals who want to see their own efforts rewarded for what they put into the job and not just receive a standard monthly paycheck. We have also always reinvested our profits back into the business to ensure that our growth has solid foundations. Further, apart from being hardworking and passionate about what we do, we also provide a fun place



*Helen Simcox,  
Group Customer  
Services Director.*

to work and a place where people are heard and ideas are used, so our staff feel committed and are loyal." "As the company has rapidly grown it has become massively busier,"

says Group Customer Services Director Helen Simcox. "However, having such a good team of people who work well together has really helped. If one department isn't coping, all the other departments pool in to help. Any snags get brought up at our daily meetings and we decide what needs to be done together. Sometimes a general solution will suffice, at other times it's a precise tailor-made solution. Flexibility is our key so we do what is necessary to meet the customers' needs."

Group Director of Operations, Michael Hudson agrees with this assessment. With a background in the automotive and heavy engineering industries, he was brought



*Michael Hudson,  
Group Director of  
Operations.*

into the company to streamline and dovetail IPP work into efficient, fast-track processes guaranteeing quality. He has done this by mirroring and cherry-picking the best from what he has brought with him in terms of knowledge and experience. He revels in the challenges posed by the new industry and customer base and has been invaluable in bringing the acquisitions into a unified whole. "One of the reasons why it is fun to work here is that we have a clear, positive drive to the organization from Jared downwards," he tells us. "We know exactly where we want to go and what we want to achieve."



*Rob Leacy,  
Sales Director.*

market, instead of focusing on a small local niche. I've been in the industry for twelve years and have moved up technically, but here I get the chance to work in a semi-commercial/technical role with clients finding solutions to solve their special needs."

Similarly, Rob Leacy the Sales Director is full of enthusiasm when talking about IPP. "Working here has given me the opportunity to spread my wings to the worldwide

### Investments

The management has always invested heavily with stock or with acquisitions but for 2013 they have gone one step further by purchasing and designing their own bespoke fitting press. Jared: "Its capacity will actually double current manufacturing capabilities not only in terms of volume but also in size range. It will produce up to 20" butt weld fittings, and will provide an extra drive to the company's revenue streams, whilst additionally helping to acquire business that's passed us by to date because we could only manufacture up to 12" butt welds before."

Moreover, by increasingly becoming manufacturers they are also able to protect their growth and employment base for the future. Securing industrial sector employment has made the company relatively famous in the region where they have saved over 100 jobs over the past two years.

Further, they will look to additional acquisitions that will enhance the Group's profile. "We try to be where things are going on and at present are focusing on developments within the Brazilian marketplace. Wherever there are opportunities in the world we will look to become active – always attempting to service clients better than our competitors," adds Jared. They also want to become more involved in pipe cladding.

### Summing up

"For me," says Jared "I absolutely revel in what I do. I entered this industry as a teenager, twenty-seven years ago, and somehow fell in love with pipes and fittings, especially in special stainless steels". For me it's not about the reward in the pay packet but the joy of working in such a vibrant industry and helping people to find the right corrosion solution. It's about taking an order and knowing that together, as a team, we can excel at it because of our knowledge of materials and deliverables, our expertise, our flexibility and our willingness to understand the customer better than the competition. Each order, whether it is 10 or 10 million GBPs, gives me a thrill and a buzz. At the end of the day it's this feeling that I want to get across to others in the industry."