

Maxim stakes its place as an A-list



In just five short years tube and pipe maker Maxim has boosted turnover fifty-fold, transforming itself from a regional player into a thriving international business with a solid reputation. The pillars supporting this phenomenal growth are top quality products and a customer-centred business model. Invited to meet Mr. Ramkrushna Patel, the man who inspired this amazing transition, Stainless Steel World travelled to the company's headquarters and production facilities in Chhatral, Gujarat, India.

By David Sear

The brand-new pilger mill at Maxim's facility in Chhatral is a real jewel. This state-of-the-art equipment converts hollows into precisely-sized tubes in a single pass with hardly a whisper. No noise, no grime, no fuss; just a very efficient machine tirelessly making a high quality product.

But SSW's host for the day, Maxim's Export Director Mr. Ramkrushna Patel, is pointing towards the roof. "Take a look," he invites. A quick glance upwards reveals a high capacity

overhead crane and a surprising array of powerful lights. Mr. Patel continues: "the point I want to make is simple but important. Forget any pre-conceptions about old fashioned, labour intensive production in India. Maxim's business is set up along ultramodern methods so we use cranes, not manpower, for materials handling. And those lamps perfectly replicate daylight, meaning employees have a safe, pleasant working environment to produce top quality tubes around the clock."

This particular hall is just one of eleven separate buildings which together constitute Maxim's production facilities. From start to finish they are all models of efficiency, whether you look at the racks holding colour-coded raw materials, the straight-through cold-draw and pilger lines, the integrated marking station and eddy-current test unit, or indeed the very spacious quality control areas. It is hard to believe that this entire facility simply did not exist just five years ago.

Photos to the right show the very impressive and spacious eleven halls that currently comprise Maxim's production and quality control areas. All products are 100% quality tested before shipment. Note also the empty space in Hall 8, where two additional pilger machines will soon be installed. Halls number 12, 14 and 15 are already planned!



manufacturer



Maxim Outer View

Vision

To understand exactly how Maxim has established such a strong presence in the international arena, it is indeed well worth going back to the year 2010. At the time Maxim was a relatively small, traditional company, owned and run by Mr. Patel's family and focussing almost entirely on the domestic Indian market. One of the directors - Mr. Patel's elder brother Mr. Yogesh Patel - suggested that Mr. Patel join him at a trade fair in Germany. Mr. Patel, who was about to graduate in the US with an MBA, caught a flight to Dusseldorf and was immediately struck by the enormous business potential.

On returning to India Mr. Patel set out his vision, namely to position Maxim as a manufacturer of high-end tubes and pipes geared to the European market. The other shareholders all agreed and, showing incredible focus and drive, Mr. Patel had three brand new halls built and fitted out with two welding lines and

five seamless lines just months later. During this time Mr. Patel continued to travel extensively throughout Europe, building up a customer base including stockists, manufacturers of heat-exchangers and other consumers and also getting the necessary end user qualifications. Sales throughout India also rose substantially. And, as the orders started to flood in, so Maxim continued to invest in additional halls and production lines for seamless tubes and pipes. Fast forward to 2015 and today Maxim is active in twelve European countries. Countries like Germany, The Netherlands, Austria, France, UK and Scandinavia are served directly from India but, reflecting specific business cultures, Maxim has also established its own offices in Poland, Spain and Italy which attend to local markets only and are ideally positioned to facilitate important EPC customers. All clients appreciate the breadth and quality of Maxim's portfolio, with tubes from 6

mm to 323 mm, as well as its ethical way of doing business, says Mr. Patel. "Continuity and stability are important for us, so for example we would never attempt to circumnavigate our stockist partners. We are also very transparent. Existing and potential customers are very welcome to visit us here at any time and tour the facilities. There are no secrets to our success, just hard work!"

Phenomenal

Mr. Patel's vision for Maxim has certainly paid dividends. In 2010 turnover was a shade over EUR 1.2 million, with exports accounting for just EUR 0.2 million, or a sixth of the total. Fast forward to today, and that figure is around the EUR 55 million mark, with more than 80 per cent originating from exports.

By any measure this is a tremendous growth rate, yet Mr. Patel is confident it can be maintained. "For the past few years the European market has been depressed but there are signs of recovery. As this arena picks up we are ideally placed to benefit from the additional opportunities. Currently I am very satisfied with our healthy sales mix, with 60% of turnover coming from EPC and heat-exchanger manufacturers and the rest from our stockist business."

When asked about moves into additional markets, Mr. Patel indicates that the Middle East is potentially a very lucrative region. "Countries such as Saudi Arabia, Qatar and the UAE are close neighbours and here too companies want to invest in reliable facilities. So we are currently meeting the oil and gas majors as well as agents who could be potential partners. Being close by, there is no need to set up a warehouse in the Middle East or even Europe for that matter, as sea freight from India is fast and efficient. But we are taking things one step at a time, and will only move once we can properly serve additional clients."

Of course, before generating extra output Maxim has first had to invest in production lines. Yet despite the



Hall 9



Hall 10



Hall 4



Mr. Ramkrushna Patel discussing higher nickel alloys with the Management and Production Heads. Maxim plans to start taking orders from its clients from July 2015 and expects to deliver the same from the first quarter of 2016.

significant levels of spending, Mr. Patel notes that the company continues to enjoy a sound financial footing. “We have ploughed profits back into the business and also enjoy financial support from entrepreneurial family members. But make no mistake, this business has to run profitably and my father and other family members do expect to see realistic returns on their investments. That is why I am determined to maintain profit levels and have a six-year plan to break even on all capital expenditure.”

Dedicated staff

That the company has grown tremendously under Mr. Patel’s leadership is also reflected in the number of employees, with staff levels rising from 62 to 550. He is recognised for having a sincere concern in all their welfare. For example, noting that some employees undertake long journeys to work, he has earmarked a sizeable section of land on which to build accommodation for them and their families. “I want to make sure that people who work here have a real smile on their faces,” comments Mr. Patel. “So there will be plenty of space for the children to play, as well as a canteen for meals.” The win-win effect of such an altruistic approach is evident in the very

low staff turnover – just two people have left since Mr. Patel joined Maxim and one of those returned soon after!

Of course, all staff are naturally hired for their skills, and when it comes to technical positions, such as running machinery, quality control, overseeing the test laboratories, etc, Mr. Patel always looks for highly trained and experienced staff. However, as a tour of the company offices reveals many people in sales and marketing are considerably younger. Mr. Patel explains why. “When it comes to office personnel I deliberately look for young people with an open mind and a flexible approach. New staff are encouraged to travel and meet clients to fully understand their needs. If one of my sales team receives a call I want him or her to give an immediate answer, whether the question is related to technical, commercial, logistical or even quality control issues.”

As an aside, it is initially surprising to hear how many people in the office start work at 11:00. This has nothing to do with tardiness, however. “Availability for our European clients is key, so we start later and work on well into the evening,” notes Mr. Patel. “Everyone here appreciates the importance of giving an immediate response to

inquiries so it is our pledge to revert in hours, not days.”

Rate of change

Walking around Maxim’s premises and hearing Mr. Patel’s account of how new halls have been built underlines the enormous rate of development. Additional plots of land have been regularly acquired to facilitate on-going construction and quite literally on the day SSW visited, Mr. Patel broke off for a few minutes to negotiate the acquisition of an additional area. This, it should be noted, will extend Maxim’s frontage to almost one kilometre! And, although the dust has hardly settled inside the recently constructed halls 9, 10 and 11, plans have already been drawn up for yet another

Maxim – a name destined to bring good luck

According to Indian tradition, it is fortuitous to have an astrologer select the first letter of names for new-born babies as well as start-up companies. When the letter ‘m’ was chosen, Mr. Patel’s immediate association was with the word ‘maximum’. “I knew we should offer top quality products to our clients and establish the best possible image for this company, so Maxim was the perfect choice to reflect those goals,” he states.





Honourable CM of Gujarat, Mrs. Anandiben Patel, honouring Mr. Ramkrushna Patel with the EEPC India Gold Trophy for Top Exporter in Medium Enterprises.



Mr. Patel has put together a highly educated and highly motivated sales and marketing team who know the needs of their domestic and international customers inside out.

expansion phase comprising halls 12, 14 and 15. These will house, amongst other things, three new pilger lines plus two additional bright annealing stations, further boosting capacity of the two bright annealing stations installed in December 2014. This means customers can choose from a range of finishes, as Maxim continues to operate environmentally-friendly pickling baths. Once all the new machinery has been installed Maxim will, states Mr. Patel confidently, have sufficient capacity to meet the company's growth plans until 2020.

"Whether our customers order smaller quantities for MRO activities or larger volumes for projects we want to offer short lead times," states Mr. Patel. "To do this we are indeed prepared to invest in extra equipment. In addition, we keep over 1200 tonnes of hollows in stock so that we can immediately start work on orders. One thing you might have noted though is that all our new lines are for the production of seamless tubes and pipes. We will continue to operate our welding lines to support existing customers, but our strategy for growth is to focus on the high-end applications, where seamless is becoming the norm."

Future

To date, Maxim has exclusively offered stainless steel products. However, that

picture may well change in future. Mr. Patel: "the new pilger lines being installed in hall 8 are equally capable of forming tubes from additional materials, such as high nickel alloys, titanium and zirconium. We still need to finish the validation work but I fully expect to start shipping high-nickel tubes by the start of 2016." All in all, Mr. Patel has even reason to be satisfied with the progress Maxim has made since 2010. "We now have an excellent product which has enabled us to open up new markets. We are not interested in being a low-cost supplier, but serve customers who demand a

technically superior tube at an attractive price. Such customers want to do business with ethical partners and this is where we score heavily as well, for our products are fully traceable and our on-time delivery record was practically 92-96% last year. Of course there are always new markets to develop, such as the Middle East, and we are full of plans and ideas. But Maxim was, is and always will be very methodical in everything we do. So my main aim now is to see all the scheduled new production lines installed and to grow Maxim into a EUR 100 million business by 2017."

About Maxim

Name:	Maxim Tubes Company Pvt. Ltd.
Incorporated:	2006
HQ and production:	Chhatral, Gujarat, India
Main products:	seamless and welded pipes, tubes and U-tubes in austenitic, ferritic and duplex stainless steels.
Dimensions:	Seamless: OD 6 to 323.90 mm, WT 0.5 to 25.40 mm Welded: OD 6 to 114.3 mm, WT 0.5 to 13.00 mm
Key approvals:	NORSOK, DNV, ISO 9001:2008, ISO 14001:2004, BS OHSAS 18001:2007, PED, etc.
Markets:	Onshore & offshore oil & gas production, exploration and transport; heat exchanger & pressure vessels; chemical and petrochemicals; energy & power generation; automotive; aerospace industry; shipping industry & naval engineering; centralized heating systems; mechanical & plant engineering; etc. For detailed information about Maxim's product range, please visit www.maximtubes.com and see the "Product" tab or download the brochure from the "Downloads" tab

