



Salzgitter Mannesmann Stainless Tubes: Honouring 132 years of Mannesmann quality

It was back in 1885 that the German brothers Reinhard and Max Mannesmann invented a rolling process for the production of seamless steel tubes. Today their spirit of innovation and excellence is kept alive at Salzgitter Mannesmann Stainless Tubes, which is now drawing on this unique history to refocus the Mannesmann brand in the global market. CEO Michael Bellinghausen and Managing Director Christophe Le Rigoleur sat down with Stainless Steel World to talk about the new marketing campaign that will bring the Mannesmann name to the forefront once more. They also explained how this solid base of tradition and excellence has ensured the company remains in great shape to face the challenges that today's market brings.

By Joanne McIntyre



Timeless brand

Christophe Le Rigoleur: "The original Mannesmann name is widely recognised in the global market and ensures immediate product recognition. This is true even outside of Europe and particularly in Asia where the Mannesmann name remains extremely strong and evokes our very long history in the tube to customers. It is synonymous with seamless tubes in many countries so we are convinced that by re-embracing this brand it will be a tremendous support in promoting us as a high quality seamless stainless steel tubes producer."

thing and SMST is the result of the sound business principles and values which we have developed over the past 130 years." The new branding campaign is refocusing on the circular 'MW' logo which stands for 'Mannesmannröhren-Werke' together with a new slogan: 'MANNESMANN. Das Rohr' which translates to 'MANNESMANN. The Tube'. "This is a quality statement which shows that we identify ourselves with the brand and with tubes," adds Mr. Le Rigoleur. "The marketing campaign was rolled out in two steps. Internally, we communicated with our people and ensured that all of our employees were aware of and involved in the campaign. A series of short movies were filmed featuring some of our people explaining what the Mannesmann name means to them, what they feel and think about it. It was a very positive experience for the whole company."

The industrial production of seamless steel tubes dates back to the groundbreaking invention of the Mannesmann Brothers. The very same production site in Remscheid, Germany that was used by Max and Reinhard Mannesmann in the late 19th century is still delivering seamless stainless steel tubes today, and SMST now also produces its seamless tubes in Germany, France, Italy and USA. Since the mid-1990s Salzgitter Mannesmann Stainless Tubes (SMST) has evolved through mergers and acquisitions with various companies. Today however it is returning to its early

roots with a marketing campaign to re-focus on the original Mannesmann brand. "The rationale behind this decision is very simple," explains Mr. Bellinghausen. "Focusing on the well-respected Mannesmann brand provides clarity in the market. At our core we are a group of tube companies within Salzgitter with one essential thing in common: our Mannesmann origins. We have a unique history dating back to two brothers who were great inventors, who always looked for the best options for their customers by providing great engineering and service. Today we continue to do exactly the same



Christophe Le Rigoleur (left) and Michael Bellinghausen with one of the original 'Mannesmannröhren-Werke' logos. The company is proud of its long history of innovation and excellence.

[COVER STORY]

Externally the campaign was launched at TUBE 2016 exhibition. "In the past our exhibition stand was under the banner of Salzgitter but this was changed to Mannesmann. This was the official launch of the campaign to our customers and it sent a very strong message to the external market."

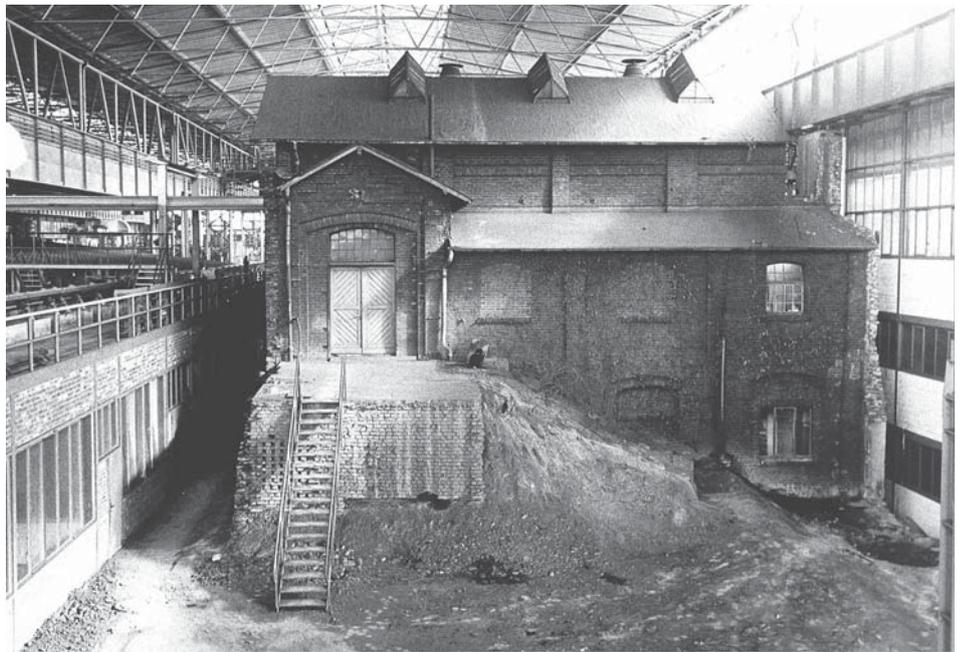
Fit to face a challenge

It is no secret that the global seamless tube market has endured extremely tough conditions in the past few years. Every producer has seen the effects on their order books and many have struggled to survive. SMST has weathered the storm due to its strong foundations and sound business philosophies.

Mr. Le Rigoleur explained: "Getting through these difficult times has demonstrated both to us and to our customers that the company was very fit to face this challenge. We were very robust in terms of our organization structure, product portfolio and strategy. Of course we were not completely immune to the effects of the downturn; however the conditions have not affected our fundamental business plans or created problems for the company. We did not have to undergo major restructuring as many manufacturers have had to do. This shows our foundations are very solid. We will emerge from this crisis with the same spirit and structure as before, ready to immediately serve our customers."

Fully supporting distributors

One of the key messages that the SMST team is keen to emphasise is their ongoing and extensive support for



This photo from 1953 shows how new factory workshops were built on top of the existing buildings due to a lack of space at the original Remscheid (Germany) site. Production continued throughout construction and only after the new building had been completed was the old building demolished.

distributors of their commodity and non-commodity seamless stainless steel tubes all over the world. "It is our policy to fully support the distribution side of the business when they bring an added value to the market" explains Mr. Bellinghausen. "Unlike many of our competitors, we fully recognise the important role played by the distribution business in Europe and the NAFTA region and are committed to providing continued support from our production facilities, helping to make their job easier."

"Over the past few years we have seen that other producers have chosen to change their behaviour, choosing to by-pass distributors in favour of selling

directly to end users. However we want to reassure distributors that we will always be there to serve them."

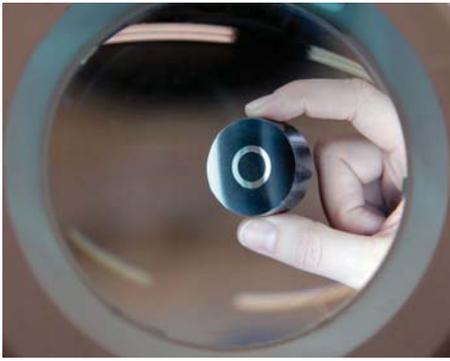
Diverse product portfolio

Despite the tight market of recent times SMST has weathered the storm without significant impact and its product portfolio remains fully intact. Mr. Le Rigoleur: "Of course some sectors have been hit harder than others with reduced demand for some products; this is especially true for the oil and gas business. However this has not affected the content offering of our portfolio. It did however re-emphasise for us the importance of having a well-balanced portfolio offering in the market. The danger of becoming too dependent on one market sector is that you will jeopardise the position of your company if that market sector is in recession. The lesson learned over the past two years has been to carry on with our highly diversified product portfolio. We have not abandoned any of the products in our range, although it is logical that we have come to place more emphasis on certain markets. A good example of this is the automotive market which has become increasingly important to us over the past two years."

"It makes sense to continue to diversify the sectors in which we are active and build on our existing market share. For example we have expanded further into some new power generation sources in addition to coal power and oil and gas,



SMST's new focus on its slogan 'MANNESMANN. Das Rohr' firmly emphasizes its roots and expertise in producing high quality tubing.



SMST maintains a consistent and extensive R&D and product development program.

which still remain the biggest markets today. We've worked hard to find new power generation markets such as advanced super conductivity applications. This could be a very important market for SMST in the coming decades."

That SMST weathered the past two years without significant hardship is evidenced by their unwavering commitment to research and the evolution of their product portfolio. "During the crisis we maintained all of our R&D and product development activities and investments. For us this is an essential area of support for our business. We are aware that for most companies the budgets for R&D and maintenance are the first things to be cut in times of difficulty when cost savings need to be made, but we did not do either of these."

Fighting fake products

SMST is one of the founding companies of the Fight Fake Products initiative which is tackling the ongoing problem of counterfeit stainless steel products entering the international supply chain. Launched at ADIPEC in 2015, the initiative seeks to fight counterfeiters in their own countries by engaging official bodies at a high level and employing every legal means possible to shut down counterfeiters.

"Unfortunately counterfeit products are a concern in every industry, in every region of the world," explains Mr. Bellinghausen. "While we've noticed that counterfeit stainless steel pipes and tubes are especially prevalent in the Middle East, we are aware that it's a global problem. Considering the types of applications that require seamless stainless steel and nickel alloy tubes, the use of counterfeit products is extremely dangerous. For example in the power generation and the oil and gas



The company emphasizes that lesson learned over the past two years has been to maintain a highly diversified product portfolio.

industries a failure could have potentially catastrophic implications for the safety of people and the environment."

In response to growing threat of counterfeit products SMST has invested in a tailor-made QR code system that enables customers to verify the documentation of any seamless tube they purchase. "The SMST QR code system enables customers anywhere in the world to be linked directly to a website where they can cross-check the contents of a certificate with the details stored in our system. This can help them to instantly verify whether they are in possession of a genuine product." (See box 'QR code fights counterfeits').

Providing expertise

"For special applications such as the oil and gas industry, power generation, chemical/petrochemical, fertilizer and automotive, we have employed a strategy over the last few years whereby we provide the knowledge and expertise to find optimum solutions directly to end users," explains Mr. Le Rigoleur. "Despite the pressure on prices we have managed to remain very strong and to work in close partnership with our main customers. This is particularly the case in the oil and gas sector where, despite the depressed market, we have maintained regular activity. In fact we were pleasantly surprised at the level of activity in that sector in 2016. Although there were fewer projects there was still a steady flow of orders."

"SMST is ready for the market to rebound and to rapidly respond to market needs. It's clear that the seamless tube industry has reorganized itself over the past couple of years and while it's a little early to say exactly how the market will look in the near future, we are ready to respond to any challenge."

QR code fights counterfeits

Every certificate produced by SMST contains a unique QR code to check whether the document is genuine. When the code is scanned with a smart phone or tablet the customer is immediately redirected to the website <http://trust.smst-tubes.com> where the content is decrypted and correctly displayed. The customer can compare the information on the certificate with that on the website. If the certificate is authentic, the information will match.

The QR code contains the following certificate information to identify the product authenticity:

- Certificate number
- Customer purchase order number
- SMST order number
- Product description
- Specifications
- Grade norm
- Size tolerance
- Continuous marking string
- Mill inspector
- Edition date



Facts & Figures

- Name: Salzgitter Mannesmann Stainless Tubes GmbH; part of Salzgitter Group
- Founded: 1994, dating back to 1885
- Headquarters: Mülheim an der Ruhr, Germany
- Key markets: Oil & gas onshore/offshore; power generation, chemical, medical, construction, marine, transport
- Main products: Seamless stainless steel and nickel alloy tubes and pipes
- Employees: 1,050 worldwide
- Production facilities: Montbard, France; Costa Volpino, Italy; Remscheid, Germany; Houston, USA.
- Website: www.smst-tubes.com