

TUBACEX GROUP; Growing in the value chain



The Tubacex Group, a premium stainless steel tubular solutions partner, has moved forward in the value chain to become a full-service supplier offering advanced stainless steel solutions to the final customer with a value proposal able to cover all the stages of the process: from design to maintenance services, including production or installation services. This positioning has been backed up by a solid strategic plan focused on Growth, Diversification, and Excellence in service. Three pillars aimed at providing high technological steel solutions developed in co-creation with customers, increasing the global efficiency of their projects and processes and reducing total costs of ownership, which has involved an important boost to its R&D Strategy and a customer-oriented approach.

By Joanne McIntyre

Full-service supplier

According to its vision and strategy, the Tubacex Group is undergoing a transformation, with the goal of developing and providing comprehensive tubular solutions. In recent years, it has been subject to a training and adaptation process, which basically consists of reinforcing and increasing the use of technology

in the sales area, developing its R&D abilities, and achieving inorganic growth to complete its product portfolio or the development of new products, processes and services for high-demand applications, among others. This transformation gives clients additional services ranging from design to after-sales operations, in accordance with the TUBACEX value proposal.

Jesús Esmorís, CEO of the Tubacex Group says; “Our objective is to be the first player in the industry to offer the right solution to our customers at the right time. Our success depends on having the products that our customers need before our competitors, understanding the customer requirements and jointly defining the right service for them”.



Tubacex Group has invested in state of the art manufacturing facilities with lean processes and qualified professional teams

We have invested in building a new plant in Austria for umbilical tubing; a new plant in Spain for OCTG with absolute Premium Products manufactured in state of the art facilities. We've also established a direct standard manufacturing presence in Asia (India & Thailand) as well as broadening our portfolio through the acquisition of complementary services. As a result, TUBACEX is capable of taking on the challenges that our customers are facing", said Esmoris.

Innovation Strategy, key in the development of added value products

As part of its strategy towards integrated tubular solutions, TUBACEX is launching new lines of action in R&D as well as

in the search for strategic alliances to develop integrated value proposals, in particular, applications with a high technology component.

Innovation management is carried out under Open Innovation principles, which allows for the integration of capacity and know-how from a network of companies, including customers, suppliers, research centers and partners in general. Most of the innovation projects that are currently under development at TUBACEX have emerged from alliances and consortiums with other companies, including the design of components and even subsystems.

Diego Herrero, Innovation Director, highlights the importance of this collaborative model: "It is necessary to open a dialog and a collaboration dynamic with our customers to understand and identify improvement opportunities together." He gives an example: "TUBACEX and the German company, VDM Metals, signed an agreement for the development of tubular products in the new VDM® 699XA alloy. Through this agreement, VDM will supply TUBACEX with the raw material required to manufacture tubes and we will market the new products, generating synergies between the two companies".

As part of the TUBACEX commitment to the development of new products, the Group is also working on in-house efficient and environmentally friendly solutions based on tubular advance coatings through Tubacoat.

To achieve this, TUBACEX has evolved to become a full-service tubular solution supplier. "We started building our capabilities so as to be in a position to offer better solutions than our competitors when the market became more favorable.



The company offers a growing portfolio of added value services includes finishing operations.

[COVER STORY]

These ceramic coating products show outstanding corrosion resistance in different media and thermal conditions, high abrasion resistance, anti-adherent and anti-fouling properties, and improved mechanical hardness.

Service focus

The positioning of TUBACEX as a full-service supplier represents an unprecedented opportunity to reinforce the division with a constantly growing product and service portfolio that is close to customers: TUBACEX Advanced Solutions. Tubacex Advanced Solutions integrates the global network of own stock and service centers in Spain, France, Central Europe, Houston, Brazil, Middle East, Iran and India (TSS) and all TUBACEX companies focusing on value-added services (Tubacex Services, Tubos Mecánicos, Tubacoat and TUBACEX Logistics) making a qualitative leap in the conception of the business, positioning TUBACEX in an advantageous performance framework. This business unit integrates a business approach focused on products and high value-added services, completing its offer throughout its value chain. Mr. Manu Sarabia, Tubacex Advanced Solutions Managing Director, highlights the importance of a service division in the Tubacex Group and the opportunities of having its own master distributor. "We want our



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customers to perceive us as the global solutions supplier we are. Our services are part of our portfolio and we are open to exploring new challenging opportunities to improve our customers' business performance. Our main challenge is to make our customers' business grow".

This growing portfolio of added value services includes finishing operations (cut to measure, beveling), advanced

surface treatments (shot peening, coatings...), logistics (project delivery management, immediate delivery from the warehouse), pre-manufacturing (curving, welding, grooving, finning) with the final goal of offering comprehensive solutions to improve global efficiency, of both projects and customer processes, thus reducing the total cost for the customer or "Total cost of ownership".

Growth strategy

The Tubacex Group has become a world leader in seamless stainless tubular solutions, achieving this position through strong organic growth in value-added products and services and relevant acquisitions in recent years, especially in Asia. "Our competitive edge lies in the ability to produce complex tubes and pipes delivering a full package solution, including both Premium and Standard tubes. We have therefore increased our capacity in India (Tubacex India) and Thailand (Tubacex Awaji Stainless) for the manufacturing of pipes and fittings at a competitive level", says Esmoris. The company now covers a manufacturing range in stainless steel and high nickel alloy tubes and fittings up to 72" OD for the Oil&Gas, Petrochemical or Powergen sector, among others.

In terms of distribution, TUBACEX aims to boost its TSS business model,



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expanding its commercial presence to offer its distributor customers a wide range of products in stock with full availability anywhere in the world, as well as an array of high value-added services. TSS is part of the TUBACEX fully integrated production model, with total control of all production stages from steel manufacturing to production and its subsequent distribution and sale.

4.0 Industries

Offering high technological solutions implies having state of the art manufacturing plants with lean processes and qualified professional teams.

The success of the industrial strategy for the Tubacex Group's plants is based on the implementation of the TUBACEX Production System (TxPS) in each plant, resulting in major improvements in each TxPS area of action. TxPS represents TUBACEX own operational excellence program, a continuous improvement system with significant and sustainable results in all plants in terms of continuous and radical improvements (customer service, productivity, yield evolution, H&S, among others) and preventive maintenance. These improvements are possible thanks to the involvement and participation of the teams who "feed" the process with their daily input, showing their commitment to teamwork, which facilitates good progress towards excellence. This participative methodology, combined with specific industrial plans designed to strengthen the Tubacex Group's diversification and new



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product development strategy, has made the company a highly flexible and reliable partner.

The future is here

For Jesús Esmoris the future has already arrived. "We have been waiting for this moment to come for the last four years, preparing our company for the future without reducing key strategic investments in spite of the market situation. We have recently started to see the first signs of recovery and we trust that the forecasts surrounding the energy sector will be fulfilled, shaping our

business project and valuing the work of our teams. The market has changed and we have changed too, foreseeing the near future with relative tranquility. We hope that 2018 will be the year in which the tendency changes, enabling us to show our capacity to face the most demanding challenges on the market, accompanying our customers with an innovative vision and service vocation" TUBACEX plans to continue strengthening its value chain from the initial stages (concept and product design) to the after-sales operations (installation and maintenance) making the most of the synergies inside the Group companies. It will continue to boost its innovation activities in co-operation with its partners to develop innovative differential solutions, offering integrated value proposals in complex applications solutions. These proposals mainly have an impact on operations providing added value to a tube to turn it into a functional element on which TUBACEX has been working to offer innovative differential solutions, generating maximum efficiency. Solutions in the pre-manufacturing phase include joining technology through welding or mechanical connections for high-liability applications and advanced coating solutions, among others. This undoubtedly implies qualitative progress in approaching end users to offer them a complete one-stop solution.

Tubacex Foundation

The Tubacex Group established its own Foundation to channel all efforts to promote social development in the geographic areas in which it operates. As the Group experienced international expansion and growth, the desire to channel all efforts through a body closely linked to the business strategy, emerged. Such a body has become the main channel to boost projects in three major fields of activity: training, social transformation, particularly in the field of functional diversity, and development cooperation in those regions of the world in which the Group is present. All of these areas are aligned with the frameworks established within the Sustainable Development Goals (SDGs) spearheaded by the United Nations, opting for collaborative models in which it is possible to join forces with other entities, taking advantage of synergies and designing solid programs.

In the field of training, the Tubacex Group has launched its own dual training programs with the aim of developing vocational training students. Secondly, regarding social transformation, TUBACEX is marking a key priority: the integration of the disabled. Finally, the Tubacex Foundation is collaborating with UNICEF to support children, providing access to education, water, sanitation and hygiene in Palghar, India, improving the access to education for 116,000 boys and girls in the district (www.tubacex.com/unicef)