

## Webco Industries, Inc.: Delivering

Webco Industries, Inc., based near Tulsa, Oklahoma, is one of North America's foremost providers of tubing solutions to the global market. The tube manufacturer and distributor serves the oil & gas, chemical and petrochemical, power generation (including nuclear sector) and automotive industries as well as other OEM markets. Webco manufactures seam welded specialty tubulars in a wide range of materials, such as stainless steel, duplex, super duplex, titanium, nickel alloys and carbon steel. The company's commercial objective is to provide superior tubing solutions that meet the challenges its customers face worldwide.

Webco's skilled and hard-working team of 1000+ employees supports its reputation as a reliable supply chain partner known for delivering on its promises. The company's 'can-do' culture empowers everyone, from mill operators to engineers to sales staff, to find ways to identify, create, and deliver value to their customers, suppliers, and stakeholders. Since Webco began manufacturing tubing 45 years ago, its knowledgeable team has focused on the company's strengths—specifically seam welded tubing—to build it into one of the most dynamic and diverse tube manufacturing companies in the world.

The *Stainless Steel World Americas* team recently had the pleasure of visiting the Webco team at its headquarters just outside of Tulsa, Oklahoma and saw first-hand how Webco's people really do make the difference. While touring their very impressive facilities, we met with employees from many areas of the company, including operations, the stainless sales group, technical sales staff and the heat exchanger sales team. The passion everyone felt for their job was evident, and they were more than happy to share with us what makes Webco such a unique and inspiring company.

We sat down with Mr. David Boyer, Chief Operating Officer, Senior Vice President—Tubing Operations; Mr. Yong Joo Kim, Vice President, Technical Services & Business Development; Mr. Bill Bieber, Director of Business Development and Mr. Jene Harmon, Marketing Director, to discuss Webco's business principles, strengths, commitment to technology, collaborative efforts with customers and goals.

By Candace Allison

### A forever type of company

Bill Weber founded Webco Industries in 1969 to meet a need in the pressure tube market for better availability, improved responsiveness and dedicated customer service. Boyer explained, "Forty-five years ago, Tulsa was the heat exchanger capital of the world, and this is probably still true today. Fabricators in the city, along with the surrounding areas, were responsible for buying a significant amount of tubing. Customers were being serviced by mills located over 1000 miles (1600km) away in the northeastern part of the United States. This created availability and cost disadvantages. Mr. Weber established the company's headquarters in Sand Springs, Oklahoma because of the concentration of customers and the area's navigable river system. His vision took advantage of the Port of Catoosa to improve responsiveness to this market segment and reduce cost by moving material via barge rather than long haul truck. Using the river to land steel in advance, then producing the tubing locally, Webco could supply the finished product to our customers before the mills back east even knew there was an inquiry! We were born from an idea to bring superior

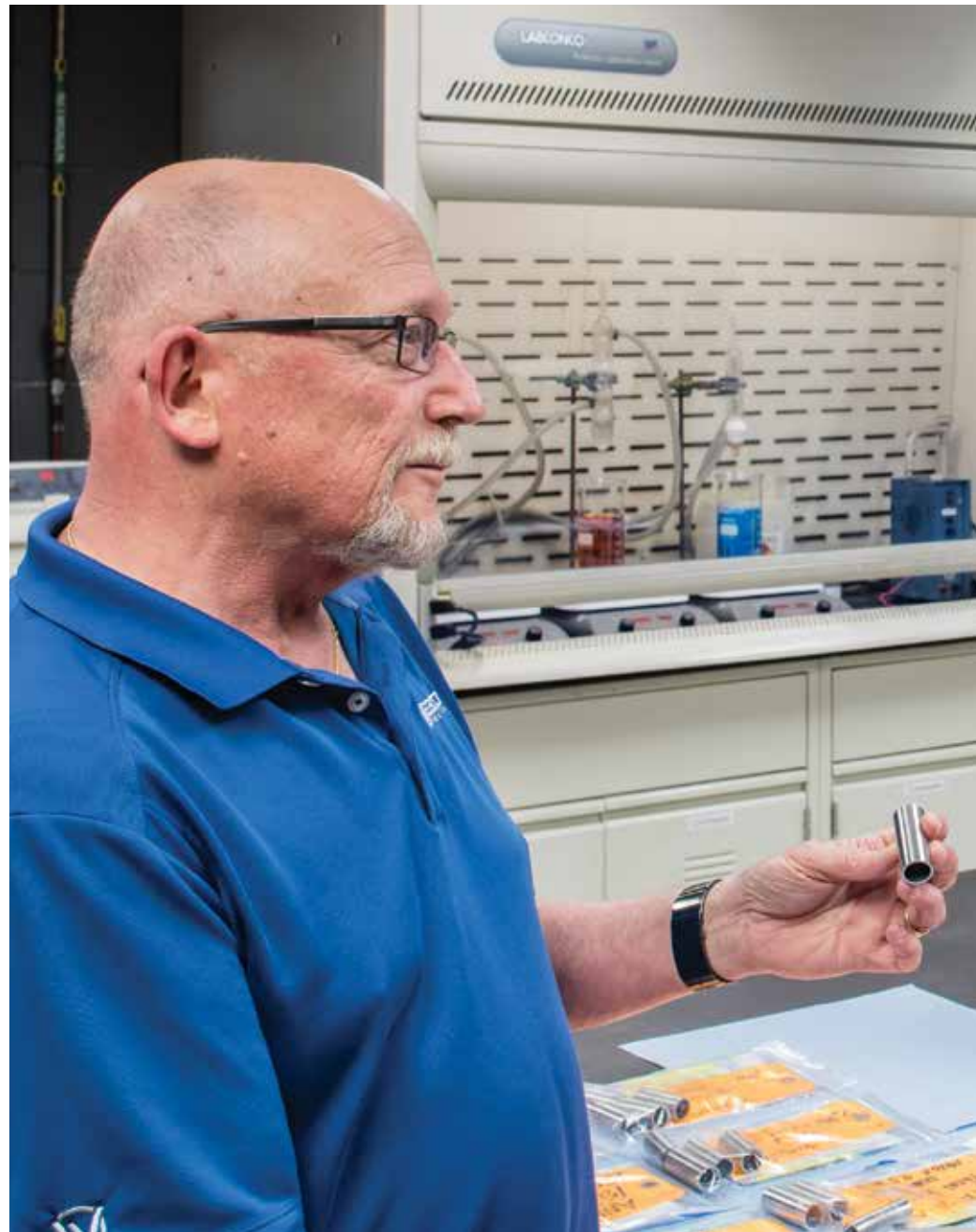
value to our customers, and we're still focused on that effort today."

Webco was created as a solution to a problem, and nearly a half-century later, it continues to be a company providing customers with solutions they are simply unable to get anywhere else. Being open to new opportunities and willing to take risks is integral to the Webco brand and something the leadership team champions to this day.

Harmon described, "Our mission statement can be summed up as we are a 'forever kind of company', and that's the way we've always operated. We make decisions based upon the long term rather than what's going to happen this quarter or next quarter." This focus on long-term viability has driven significant investment in facilities, technology and product development. He said the company has achieved an average annual growth rate of close to 10 percent since its inception and the vast majority of this growth has been organic. Harmon said that making the right investments and building the company one employee, one customer and one market at a time made all the difference.

### Strength of product and market diversity

Boyer maintained that even though there are tubing companies larger than Webco, there are few that are more diverse. Besides product destined for the heat exchanger sector, other stainless steel market segments that Webco supports include coiled tubing for the upstream oil and gas, subsea steel tube umbilicals, instrumentation tubing, along with welded tubing and pipe for chemical processing and petrochemical projects. Boyer contends that



Mr. Bill Bieber, Director of Business Development, works on a project with a team member Matt

Webco's product diversity is a source of its strength due to the fact the company's success is not tied directly to the market conditions of a particular industry.

Although the company can provide seamless tubulars, Kim shared that Webco's core business is "seam welded tubular products. Within our corrosion resistant alloy tubing products, we can produce austenitic, ferritic and duplex grades along with titanium and nickel alloys. Besides having a variety of grades that we offer, we also have different product configurations that we can manufacture. Depending on the application, one customer may require straight lengths, while another may need a coiled tubing product, U-bent or enhanced surface. Additionally, engineered process options can be provided to meet customer mechanical requirements. Welded tubing is just one aspect of our business. We have the capacity to branch out and add value the customer may need depending on the market they are serving. For example, in the downstream oil and gas business, customers need a product that is used in a heat exchanger that may require a U bend, heat treatment and/or an integrally finned surface, which Webco can provide. In this often lead-

time sensitive industry, this market-specific vertical integration can significantly improve total supply chain delivery performance."

Boyer said, "We are diverse in very niche areas. We bring our experience and technical strengths with compelling commitment into markets where we choose to participate. We want to create the value that will allow us to be the tubing supplier of choice. We committed to being leaders in emerging technical advancements. For example, I am confident that Webco has more experience with welding super duplex stainless steel tubing than any other tubing manufacturer."

He continued that availability is critical to many of Webco's customers. The company ensures that it always has either product or manufacturing flexibility to support customers' needs. Boyer confided that it is not uncommon in some market segments for a customer to call for tubing and need it within 24 hours and Webco is able to deliver.

Bieber added, "In our heat exchanger tube market, we aren't just a manufacturer of tubular products; we're also a distributor. We have customers in this market that require





## innovative tubing solutions



Purvis.

products we do not manufacture, such as copper nickel alloys. What they require is the right tube at the right time. What we do offer solutions for our customers' needs. So if we don't manufacture it ourselves, we will work with the best suppliers around the world to procure and stock it."

### Commitment to technical development

Webco's two stainless manufacturing plants are located within 25 miles of the corporate headquarters. The Kellyville, Oklahoma, plant is Webco's latest example of its commitment to manufacturing excellence. It was built in 2008 as a green field expansion with state of the art technology. Designed to produce welded super duplex umbilical tubing and other high strength coiled products, the plant has raised the standard with regards to seam welded tube manufacturing capabilities and advanced NDT technology. The Mannford, Oklahoma facility has the largest installed bank of laser welders in the western hemisphere.

Webco also has value-added facilities located in Grand Rapids, Michigan; Reno, Pennsylvania; and Lyndon and Glen Ellyn, Illinois. These operations primarily support customers in the original equipment manufacturer (OEM) markets. Distribution facilities are based out of Tulsa, Oklahoma, and Orange, Texas, both of which focus on the heat exchanger tube markets.

All of Webco's products are tested during the manufacturing process at its ISO 9001-certified facilities. Kim explained that the acceptance criteria is much more in-depth than just a matter of accepting or rejecting a product. Webco's manufacturing processes utilize control systems for mon-

itoring key parameters to ensure product quality. The feedback loop is immediate and provides reliable process control. Metallurgists, process and welding engineers assist with technical support.

Kim explained, "As far as our testing capabilities go, we have non-destructive testing capabilities, such as eddy current, ultrasonic testing, and digital radiography. We can also perform hydrostatic testing (up to 35,000 psi) and pneumatic testing, such as air underwater testing, and pressure differential testing. We have extensive mechanical and metallurgical lab capabilities. Each stainless division has its own lab and is able to perform in-house corrosion testing, metallographic examinations for volume fraction determination and microstructure analysis. Other special tests available include low and high cycle fatigue, residual stress and burst testing."

### Customer collaboration—Providing innovative tubing solutions

Both Boyer and Kim agreed the company strives to be the best at what it does in terms of creating a quality product and



Pictured is Mr. Yong Joo Kim, Vice President, Technical Services & Business Development.



providing superior customer service. Kim clarified, "We choose to focus on select markets where we can deliver compelling value. In the case of seam welded corrosion resistant alloy tubing, our experience and manufacturing capabilities allow us to partner with customers to provide viable solutions. It always comes back to the basic principle of providing exceptional value through reliable solutions."

The Webco team's ability to create superior tubing solutions begins with their commitment to two of the company's principles: To "expect the best" and to "engage 100 percent every day." By focusing on the company's strengths and practicing these guiding behaviors, Webco is able to collaborate with customers and suppliers to create innovative product solutions.

Kim said, "Over the past two years we have been working with a particular customer to develop a unique product for the oil and gas market. This particular product configuration has never been produced, so a tremendous amount of resources and research activities have gone into material selection, metallurgical evaluation, corrosion testing, process development and prototype approval. After extensive collaboration between Webco and the customer's engineering group, product has now been manufactured for this demanding application." This is one of the most complex projects that the company has been involved with, but Kim maintained the size of the project doesn't matter. "What really matters is that the customer receives a reliable solution. Webco is much more than just a company that makes and sells commodity products," he said.

Kim stated that more than one customer has remarked to him that many suppliers do not have the same management commitment that Webco does. Not all companies are willing to commit the time and resources to a two-year project where the outcome is uncertain.

"It's a culture that comes together to solve problems," noted Boyer. "It is all about

customers, all about technology and all about people. If we can bring those elements together, then we have an opportunity to create real value. If we do that well, then we all win; our customers win, our suppliers win and we win. If we do that poorly, we don't. Over time, we don't lose very many customers, we gain them. We do that by developing product innovations, demonstrating organizational agility, and delivering unique solutions. We back it up with capability and a compelling commitment to the task."

The importance of taking risks and investing in the future, just as Weber did when he founded the company, is key. Kim said that being able to invest time, money, and energy into projects, such as the one he cited, ensures returning customers. "They not only appreciate Webco's technical capabilities but also its management team's commitment." Building a partnership with a potential customer does not happen overnight; it has to be built with trust over the long-term, which is exactly what Webco has been able to achieve with many of its customers.

### Looking ahead

Webco isn't just satisfied with being on the cutting edge of technology. As a company, it is always looking toward the future to find new ways of providing solutions to the industries it serves. Boyer predicted that the company will continue to lead the way in technology and capability, since its customers will have increasingly sophisticated and complicated needs. Webco continues to expand its capabilities with regard to its duplex and super duplex alloy products to satisfy the increasing customer demand for the benefits those products deliver. In fact, Webco is one of the few manufacturers offering seam welded super duplex umbilical tubing, so customers no longer have seamless tubes as their only option. As Boyer stated, "For nearly half a century, we have focused on our customers and their needs, and that has worked. I believe it's going to keep on working for at least the next half century."

All photos: Webco Industries, Inc.

### Webco at a glance

<b>Company name:</b>	Webco Industries, Inc.
<b>Years in business:</b>	45
<b>Headquarters:</b>	9101 W. 21st Street, Sand Springs, Oklahoma 74063 USA
<b>Employees:</b>	1,000+ (all locations)
<b>Products:</b>	Seam welded tubing, straight and coiled, value added processing
<b>Materials:</b>	Austenitic, ferritic and duplex stainless steels, nickel alloys, titanium and carbon steel (carbon tube plants only)
<b>Product forms:</b>	Straight, Coiled, U-bend, Finned, End-formed
<b>Value-added services:</b>	Precision cutting, product availability and responsiveness
<b>Markets/applications:</b>	Upstream and downstream oil & gas; LNG, power generation; subsea umbilicals; automotive, chemical processing, geothermal, HVAC, feed water heaters and heat exchangers; MSR tubing for nuclear power, water treatment.
<b>Website:</b>	www.webcotube.com