

TUBACEX GROUP: The leading supplier

TUBACEX is an industrial multinational group founded in 1963 and is the largest worldwide producer of seamless tubes in stainless steel and high-nickel alloys. With its head office located in Spain, it is one of the few companies with a fully integrated production model, so it has total control of every step from steel melting to pipe and tube manufacturing to subsequent distribution and sale.

TUBACEX has 12 mills located in Spain, Austria, Italy, India, Thailand, and the United States. Its commercial presence has been established in more than 30 countries and with a global network of stock and service centers located in the main hubs around the world. TUBACEX is an organization close to its clients, committed to bringing comprehensive solutions to a wide variety of industries including oil & gas, chemical & petrochemical, aerospace, and automotive among others.

Stainless Steel World Americas had the pleasure of speaking with TUBACEX's America Sr. Vice President Sales & Marketing, Mr. Juan Carlos Agoglia, in Houston, Texas about the company's U.S. operations, its customers, and the new challenges faced in the industry.

By Candace Allison

A rich history

The TUBACEX GROUP has a very interesting past that began in Spain over 50 years ago. Since then the company has further incorporated different locations, manufacturing facilities, and service centers all over the world. Juan Carlos Agoglia shared that TUBACEX was founded in 1963 devoted to manufacturing seamless carbon steel until 1987, when it made a qualitative step forward in this approach to the business by expanding into new markets and focusing on stainless steel manufacturing.

In the Americas, sales offices were established in Mexico and Houston in the 1970s and in Canada in 1983. The acquisition of Salem Tube in 1993, a company focused on manufacturing of high precision stainless steel tubing & nickel alloy tubes, provided an industrial footprint in Pennsylvania. Over the last 20 years the company has continually worked on further growing its North American and South American facilities including the opening of a sales office in São Paulo, Brazil in 2006 as well as stock and service centers in Houston and Brazil. A global structure at the service of American customers.

In the last five years TUBACEX has made a step forward in its business conception becoming a full-service partner, able to supply comprehensive solutions for the most demanding environments, covering all the stages of the process from the concept design to manufacturing, and extending to the after sales operations.

TUBACEX's U.S. operations

The 1990s were a pivotal time period for the company, laying down the basis of what the company has become 20 years later. Mr. Agoglia detailed that there are currently more than 120 employees working in Americas, in addition to some dedicated agents and distributors. TUBACEX's U.S. operations offer North and South American clients the complete line of company products and custom-made solutions, available with very short lead times.

The American operations work as a business unit focused on better understanding their customers' exact needs. "It was important for us to get out of the manufacturing-centric mindset, focusing more on what the customer needs. As a result, the sales team was organized by segment comprising of upstream (Oil Country Tubular Goods and SURF), mid & downstream, aerospace, and automotive applications, in addition to our TSS distribution team," stated Mr. Agoglia.

Salem Tube's Laboratory, located in Greenville, Pennsylvania is a Nadcap (National Aerospace and Defense Contractors) Accredited Laboratory for Material Testing, with the latest equipment for Chemical, Metallurgical, and Mechanical testing conducted as per the latest ASTM/ASME/AMS/EN standards.

The customer is key

All the initiatives developed at TUBACEX GROUP have a clear focus in customer services. The organization has



evolved under this premise, with a great involvement from their professional teams and a common and shared purpose: meeting or exceeding customers' needs. The different initiatives developed by TUBACEX within their strategic plan have allowed for the improvement of their sales approach, both physically—with a global network of warehouses and sales offices—and conceptually, understanding their real needs and providing knowledge, abilities, and experience in the development of tailored solutions. On the production side, they have developed initiatives focusing on operational excellence, with their proprietary methodology (TxPS) that allows for the identification and development of projects for radical and continuous improvement in all their plants.

Mr. Agoglia explained that, "It is critical to provide exceptional service to our clients, understanding their needs and providing the best in class solutions. The final goal is to offer 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', which can be achieved in very different ways, from a greater material lifespan to a shorter installation timeline."

Understanding a client's needs is only part of the equation. Mr. Agoglia shared that it's all about going far beyond mere manufacturing activity because TUBACEX is creating tailor made solutions and services. By taking care of the whole supply chain 'from the cradle to the grave', the company is not providing only products; instead it is providing engineered solutions, whether they be product design and R&D, production, delivery or even inventory management. What TUBACEX offers clients is much more than just products—it is products *and* associated services.

The 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), and are part of the global strategy of becoming a stainless steel global tubular solutions partner.

Innovation management at TUBACEX is done under Open Innovation principles, which allows for the integration of capacity and knowhow 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 were born from alliances and consortia with other companies. It is necessary to

open a dialog and a collaboration dynamic with its customers to understand and identify improvement opportunities together.

Highly-engineered products

Even though TUBACEX is so much more than a stainless steel tubular products manufacturer, it does offer the widest product portfolio including seamless stainless steel and high nickel alloy tubes, pipes, and fittings as well as long products like square and round bars, billets, and ingots.

Mr. Agoglia described that, "With a global capacity, TUBACEX is the leading supplier of stainless steel products in the world with the widest product range. We offer from the smallest OD products up until 72" on stainless steel seamless pipe. We are so proud to be in the position to offer full solutions to our customers. This makes



us different and a valuable partner." He continued to explain that TUBACEX's 'premium products' are, "The products that you don't typically find in inventories; they are custom made: you manufacture towards a specification of the product based on the customer's need. These products are often used for aerospace, for nuclear applications or for mechanical applications; often not something that is standard and requiring higher grades."

Over the last decade there has been a shift from the 'commodity' product to the more custom designed one. Mr. Agoglia highlighted that being a full-service supplier means producing complex tubes and pipes delivering a full package solution, including both Premium and Standard tubes.

An integrated production process

The production process for all of the products, whether they happen to be stan-



of stainless steel tubular solutions



Standard or custom-made are created using TUBACEX's full cycle manufacturing process starting from scrap all the way to the finished product. This allows for a smoother overall process and better product control because each and every product that is manufactured has traceability, something that is very important in today's world.

Once again it all comes down to customer service: having a completely integrated manufacturing process allows TUBACEX to provide its clients with the best quality tailor made products and services to their specific needs. As Mr. Agoglia stated, "That level of integration in manufacturing really makes a difference and that is our commitment to the customer: to have control over the processes, product, and the quality of the product going out to the market."

Worldwide distribution

Maintaining complete control doesn't end when the finished product is ready for distribution. Mr. Agoglia asserted that all of TUBACEX's products are available through a wide network of distributors, both as a master distributor as well as distribution that goes directly to the end-user. He explained that strategic inventories are kept to support those flows of products reducing lead times throughout the whole supply chain for project specific applications.

Often TUBACEX will work directly with engineering or EPC companies to fine tune the product and scale its production to meet their exact delivery needs. Once again, this is where the integrated manufacturing process is invaluable. He clarified that the off-the-shelf products are available through distribution, and the custom-designed products are closely followed by a project team to ensure that both the product itself and the subsequent delivery times meet the customer's demands.

Why choose TUBACEX?

When asked why clients, especially North Americans ones, should choose TUBACEX instead of another competing company, Mr. Agoglia was very quick with his answer. "That is a very good question. In the end it's going through everything we've already discussed. That is, dedication to the customer, availability of product, custom-made solutions, competitive pricing, providing value to the customer, etc. Value is not only the final price, although it is very important, but it is also everything that comes along with it. If you have a good price BUT you don't deliver on the quality, then you are not delivering on the product or service that you claim to provide. You are falling short and customers will notice that."

TUBACEX offers one of the widest range of materials in the USA and shortest delivery times in industry. Recent investments in



TUBACEX's product portfolio

The TUBACEX GROUP has the largest portfolio for tubular solutions in stainless steels and high nickel alloys:

- Stainless steel and high nickel alloys bars and billets from up to 500mm
- Seamless tubes & pipes from 3mm to 72" OD
- Fittings from 1/2" to 72"
- Special components upon request
- Special added value operations

A dedicated full service provider

TUBACEX has earned its reputation in the global industry as a premium tubular solution provider by continually offering its clients the following:

New products

- Developing new grades
- Providing new dimensions
- Offering tailor-made designs

New technologies

- Lean manufacturing practices
- State-of-art-production technologies
- High class testing facilities

New services

- Co-development with customers
- Offering additional finishing applications
- Optimized logistic channels

its lab, finishing lines coupled with a highly qualified team have earned its clients' confidence, explaining the success achieved in the nuclear and aeronautical sectors.

Future goals

"We plan to continue moving forward," Mr. Agoglia declared. TUBACEX is devoted to U.S. manufacturing operations. As a company it is continuously investing to improve its manufacturing processes, increasing its ability to provide innovative products and R&D, and perform better inspections. There is a clear commitment in expanding the American footprint to continue being the leading industry provider of integrated solutions for its customers.

Mr. Agoglia commented that the plan moving ahead includes, "A better local support through expansion of our manufacturing base in America, as well as a continuation of understanding what our

customers need in order to provide better products and services. We ultimately want to be their *supplier of choice*, and this is something that has to be *earned*, and *we will do our best to achieve it.*"

The company plans to continue strengthening its value chain from the initial identification of customer' needs to the after-sales operations (installation and maintenance) making the most of the synergies inside the group of companies and boosting its innovation activities in co-operation with its partners in order to develop innovative and distinctive solutions.

"We are looking towards the future with the determination and confidence that we are walking in the right direction: accompanying our customers with an innovative vision and service vocation. Because meeting and exceeding our clients' highest expectations is what drives TUBACEX America," Mr. Agoglia concluded.



► TUBACEX at a glance

Company name	TUBACEX GROUP
Key activity	A global leader in seamless stainless steel tubular solutions with the widest portfolio of stainless and high nickel alloys
TUBACEX S.A	Tres Cruces 8 PO Box 22 01400 LLODIO (ALAVA), Spain, sales@tubacex.com
TUBACEX America	5430 Brystone Drive, Houston, Texas 77041, USA, sales@tubacex-usa.com
Worldwide production facilities	Spain, Austria, the United States of America, Italy, India, and Thailand.
Worldwide trading & sales offices	Spain, France, the Netherlands, Germany, Italy, Poland, Russia, Czech Republic, the United States of America, Brazil, China, and Dubai
Worldwide distribution & stock warehouses	Spain, France, Austria, United States, Middle East, and India.
Alloys	Stainless steels (austenitics: 304, 316, 316 Ti, 321), alloyed & martensitics, high nickel alloys, ferritic (duplex and super duplex)
Industries	Aerospace, chemical & petrochemical, oil & gas, fertilizers, power generation, engineering, automotive, etc.
Website	www.tubacex.com/www.salemtube.com