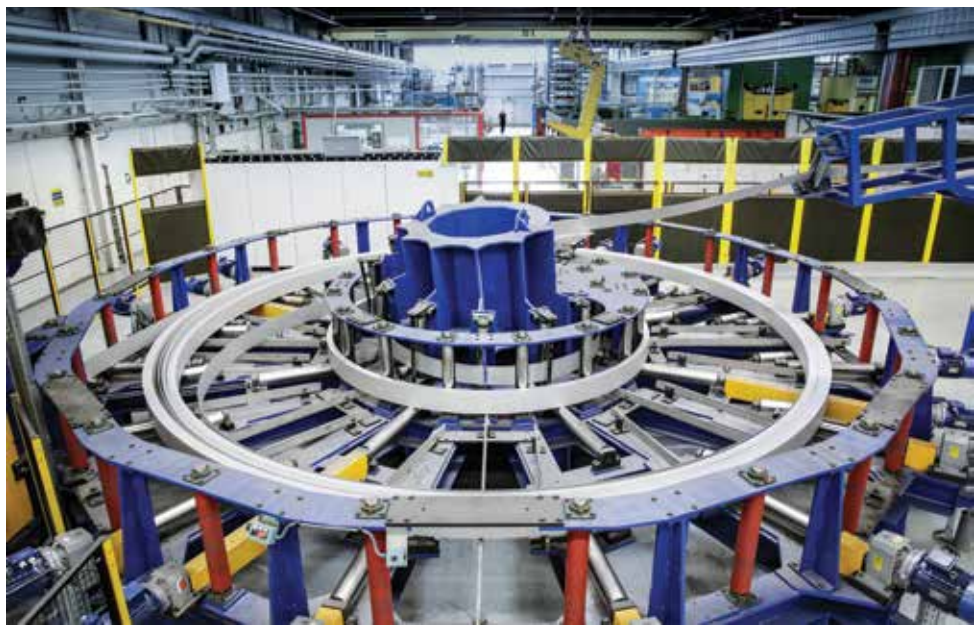
Stalatube Oy: the global provider of stainless

Stalatube, the leading provider of stainless solutions and manufacturer of stainless steel hollow sections and profiles, booked an impressive 17% growth in turnover in 2017. With plans to invest a further EUR 20 million (approximately USD $24,623,600) by 2019, the company is well and truly geared up for sustained future growth, says Chief Marketing Officer Mr. Sami Packalén.

By David Sear



Top-notch facilities: Stalatube boasts highly advanced production facilities for the manufacturing of square and rectangular tubes as well as I-beams, flat bars, and components.

The news from Stalatube Oy's headquarters in Lahti, Finland, has certainly been positive of late. A first announcement reported that the company's turnover grew by a massive 17% in 2017 and that was subsequently topped by news of a EUR 20 million investment in additional production facilities, R&D, and digitalization to further boost growth and internationalization.

As Chief Marketing Officer, Mr. Packalén explains in an interview with Stainless Steel World News, an affiliate publication of *Stainless Steel World Americas*, Stalatube plans to increase its capacity in Finland and focus its operations in a single production facility. Furthermore, an additional production facility is to be established in Lodz, Poland, which will produce further processed products.

"Growth requires investments. Without them, we cannot expand to new product and service areas," states Mr. Packalén. "Improving cost-efficiency on a continuous basis demands renewal and investments as well – even bold ones. Another positive aspect is that growth brings the need for more industry professionals, both in Finland and globally."

The facility in Lodz has been strategically chosen to further shorten delivery times to clients in central Europe, he continues. "These investment decisions will improve our competitiveness in the European and also the North American markets. The increased speed of delivery will also help grow our sales."

I-beams

One of the key factors underpinning Stalatube's continued growth is its ability to respond quickly and decisively to signals from existing clients and potential customers. For example, a few years ago Stalatube picked up on requests for I-beams made of stainless steels. Comments Mr. Packalén, "Customers started to ask us if we could deliver stainless steel I-beams. They told us that the weld quality is the determining factor in the strength and durability of such beams and they had the utmost trust in our production capability. I'm glad to say we have turned their suggestions into a new and highly successful product line."

The I-beam may look like a simple product form yet proper care is required to ensure each and every possible product meets the highest level of quality. Mr. Packalén states, "We can deliver I-beams in a wide variety of grades, including austenitic and duplex stainless steels, and also in varying dimensions."

Further discussing how customers are served, Mr. Packalén notes that Stalatube keeps stocks of I-beams in standard sizes for immediate shipment. In addition, thanks to the flexibility of Stalatube's production processes, requests for uniquely-sized I-beams can also be quickly fulfilled. "Stalatube's strategy is to offer customers maximum flexibility. So if they need an I-beam in a particular material and with specific dimensions, that is exactly what we will deliver. And equally importantly they will not have to purchase a large volume of material. That's because our production facilities are very flexible so we can easily produce single items as well as large volumes."

Asked about the prospects for stainless steel I-beams, Mr. Packalén first notes that key customers include engineering companies and operators in the oil and gas industry as well as architects and construction companies serving the building and construction sector.

> "With modern machinery and the right procedures, welding duplex is a straightforward process whereby consistent, high quality welds are easily obtainable. If customers are ever in any doubt they can rest assured that we have highly trained engineers who would be very willing to inform and advise them. That's all part of the Stalatube service."
>
> *– Sami Packalén*

I-beams: have been added to Stalatube's portfolio and are available in varying dimensions and grades such as austenitic and duplex stainless steels.

"What we are seeing is that professionals in these areas are very attracted by the possibility of using our I-beams as a substitute for the standard carbon steel ones. In short, we have high expectations for stainless steel I-beams going forward."

Pipe supports

Whilst discussing applications in the oil and gas industry that use Stalatube products Mr. Packalén quickly turns the interview to pipe support structures. The use of stainless steel for such supports is gaining increasing popularity for some very good reasons, he notes.

"In the past, topsides were typically designed and built with a 20- to 25-year time span in mind. That reflected the period during which a field would become economically depleted. However, thanks to technological improvements oil and gas reserves can now be recovered much more efficiently and indeed extraction figures are continuing to improve. In consequence the infrastructure needs a longer design life and indeed some installations that are now being developed have design lives of up to 50 years."

As Mr. Packalén explains, designers are therefore re-addressing materials selection. "Carbon steel – for a long time the standard selection – needs to be coated to prevent rust. That can be a very expensive and time-consuming operation on an offshore platform. In such cases, stainless steels and lean duplexes can quickly become preferred materials. Initially more expensive, life cycle costing shows they are much cheaper over the lifetime of the field thanks to the fact they are practically maintenance-free."

Several offshore installations are already benefitting from Stalatube's stainless steel pipe supports, including the prestigious Johan Sverdrup project on the Norwegian continental shelf. Comments Mr. Packalén, "The optimum material depends very much on the prevailing temperature and chloride content. We generally recommend lean duplex for the North Sea with 2205 for warmer offshore environments. Wherever our customers are and whatever the application, our in-house experts can advise on the best choice of material."

Interestingly, although Stalatube can provide hollow sections that are cut to length and ready to assemble, most customers needing pipe supports buy standard lengths which are cut on-site. Mr. Packalén further explains, "Changes to the initial design are very common in the oil and gas industry so it makes sense for the fabricator to work out the exact dimensions of items such as pipe supports on the job-site. However, please note that we are always interested in finding solutions together with the customer to supply tailor-made lengths. This is an effective way to also reduce the customer's material and transportation costs."

Mr. Packalén followed this up by stressing that the on-site welding of duplex is nowadays common practice. "With modern machinery and the right procedures welding duplex is a straightforward process whereby consistent, high quality welds are easily obtainable. If customers are ever in any doubt they can rest assured that we have highly trained engineers who would be very willing to inform and advise them. That's all part of the Stalatube service."

Support structures: Stalatube manufactures these support structures specifically for offshore environments. These products are available in cut-to-length, which saves cutting and assembly costs on-site. It also saves on time!

Before closing off the topic of pipe supports, Mr. Packalén adds that corrosion resistance is just one of the advantages of using stainless steels and duplexes. "Another benefit is the high strength to weight ratio. Using duplex can help lower the weight of the topside facilities whereby designers can also reduce the weight of the supporting structure. This all contributes to materials cost savings. Again, this is why we are seeing a lot more interest in say lean duplex for many other platform components, such as pipe racks, skids, and flexi barriers."

A feature of many modern oil and gas projects is that the necessary structures are often built in multiple locations worldwide. In this respect, Mr. Packalén em-

solutions is well and truly in growth mode

Ongoing investments: "We are allocating EUR 20 million (USD $24,623,600) on additional production facilities, R&D, and digitalization to further boost growth and internationalization," says Chief Marketing Officer Mr. Sami Packalén.

phasizes that Stalatube has a proven track record in project management. "Delays in deliveries can create logistical headaches and create extra expense for shipyards and engineering companies. Stalatube is very skilled in handling complex projects. Whatever the timeline and wherever the locations, we make sure that the right items are delivered to the right job-site and at the right time. This means customers can focus on their jobs and rely on us to deliver the parts they need. Of course should they require extra reassurance they can always follow shipments online."

Press brake technology

A few years ago Stalatube invested in what it terms a Stalargo production line, which utilizes the press-brake process. Mr. Packalén explains the merits of this new line. "Our traditional production method involves making hollow sections by roll forming and single welding the base material. By contrast, Stalargo hollow sections are made by taking two separate sheets that are bent to create U or J-shapes. These two elements are then welded together to create the final product."

Both production processes deliver top quality hollow sections, stresses Mr. Packalén. "The new process does have benefits for customers, though. For example, we can now provide even thicker-walled sections and have been able to widen the range of dimensions on offer."

> "Stalatube's strategy is to offer customers maximum flexibility. So if they need an I-beam in a particular material and with specific dimensions, that is exactly what we will deliver. And equally important, they will not have to purchase a large volume of material. That's because our production facilities are very flexible so we can easily produce single items as well as large volumes."
>
> – *Sami Packalén*

Highly flexible and suitable for all material grades in the company's extensive portfolio, the Stalargo line perfectly complements Stalatube's policy of providing customers with the best service possible. "With Stalargo we can further reduce lead times for customers and respond even faster to requests for uniquely sized products in large or small quantities," comments Mr. Packalén.

He is therefore confident that the Stalargo products will also play a significant role in fuelling Stalatube's future growth. "We all see Stalargo as a development opportunity. We already have an increasing number of customers who tell us they now prefer stainless steel hollow sections to carbon steel equivalents precisely because they knew we can offer them incredible flexibility, especially for single pieces."

Coming to the end of our pleasant interview, Mr. Packalén turns his attention to another important facet of Stalatube's business model: service. "Firstly, we maintain extensive stocks of standard products which means we are a reliable partner offering consistent quality, dependable delivery times and competitive pricing. This enables customers to reduce their own buffer stocks, effectively releasing capital that would otherwise be tied up in what is for them raw materials. At the same time we offer incredible flexibility and speed of delivery for customers who require a few uniquely sized items or for those looking to purchase a whole package of say hollow sections for project requirements."

> "Quality is the most important driver for us, no matter what the application or client. Our track record in demanding industries such as oil & gas, nuclear, etc., speaks for itself. And with our planned investments in production facilities in Finland and Poland I am quite sure that even more customers worldwide will soon be turning to Stalatube as a supplier of choice."
>
> – *Sami Packalén*

Customers can also select from a range of additional services, such as having items cut to length, with any necessary openings pre-drilled and with connecting ends prepared ready for welding. Says Mr. Packalén, "Stalatube has invested in a high-powered laser cutter, which cuts sections, beams and bars, etc., quickly and precisely to the required size and shape. By taking care of pre-production work all the customer has to do is open up the shipment and he can start to use the finished parts right away. This saves him time and money, helps to minimize scrap and also cuts down on freight charges."

Testing services are also possible, notes Mr. Packalén, "We regularly conduct all kinds of testing, such as nondestructive testing (NDT), destructive testing (DT), etc. We can also arrange for third party inspection and run customer-specific tests. This means the client simply has to indicate the type of testing he needs and we will take care of it for him, naturally providing all the necessary documentation with full traceability from the steel mill to the end-user."

Above all else, Mr. Packalén is proud of the reputation for quality that Stalatube has established with its stainless steel and duplex hollow sections, I-beams, and all other products. "Quality is the most important driver for us, no matter what the application or client. Our track record in demanding industries such as oil & gas, nuclear, etc., speaks for itself. And with our planned investments in production facilities in Finland and Poland I am quite sure that even more customers worldwide will soon be turning to Stalatube as a supplier of choice."

Processed components: these components, for end-use in the transportation industry, are an example of some of the processed products that Stalatube manufactures. The development of these components has been done in close co-operation with the customer, and further processing, as well as packaging components in ready-to-assemble kits, creates value by saving on assembly time.

Press brake technology: thanks to investments in this new process, Stalatube can now provide even thicker-walled sections and have further widened the range of dimensions on offer.

Extensive stock: maintaining significant stocks of standard products, Stalatube is a reliable partner offering consistent quality, dependable delivery times, and competitive pricing.

► At a glance

Company name:	Stalatube Oy
Key activity:	Manufacturer of square and rectangular tubes in stainless steels and duplexes. Also manufactures stainless steel I-beams, flat bars, and components
Headquarters and production:	Lahti, Finland
Stalatube Inc. (USA & Canada):	P.0. Box 210 Bryn Mawr, PA 19010-0210, USA
Sales Offices:	Finland, United States, the Netherlands, and India
Industries:	In 50 countries across all continents
Turnover:	Over EUR 90 million (2017). Of this exports accounted for over 90%