

HTT Products: Giving new meaning to being a dynamic company

When exceptional service meets expert heat exchanger know-how and an enthusiastic team of highly dedicated problem solvers, the result is a company customers can rely on. Heat Transfer Tubular Products, LLC (HTTP or HTT Products) has been evolving to improve their value proposition to their customers through the integration of tube distribution and value-added services for the heat exchanger industry for the last 13 years. Now under a new ownership team since 2019, HTTP is seeking new pathways to create even more value for their customers.

Stainless Steel World Americas had the pleasure of speaking with Will Lindenmayer, Chairman and Interim President of HTTP, and Rex Wright, SVP-Development & Operations, about the company's emergence in the marketplace, how their tube supply distribution capabilities and value-added services fill a need in the industry, and their goals for the future.

By Brittani Schroeder



Creating a new kind of company

Heat Transfer Tubular Products, LLC was founded in 2008, in Houston, TX, by three partners who each had extensive careers in the tubular industry, principally with the two original distributors who had serviced this marketplace. After spending a few years in Houston, the company built a facility in Conroe, TX, and moved their operations to the new location in 2011.

In the beginning, HTTP was solely focused on selling carbon alloy tubing as a trading operation. Customer feedback showed, however, a need in the market for a new competitor that had a stable and expanded inventory position, could provide value-added services to compress the lead time for finished tubes ready to be installed, and had a more cooperative and proactive approach to customer service.

"Distributors at that time did a good job for their customers, but there was a lot of room for improved value to customers through consistent delivery of products, expanding the capabilities of both domestic and international tube mills, more stable pricing, improving customer service, and expanding the strategic positioning of the relationship between distributors and their customers," explains Will Lindenmayer.

HTTP acquired a warehouse so it could establish an inventory stocking position, and established their value-added operations to offer customers something that the other distributors had not sought to focus on. "With our recently expanded warehouse and additional value-added services, we can now offer 100% – or close to 100% – of

what a customer needs for an installed tube," states Rex Wright.

Arch Equity Partners, a private investment company, purchased HTTP in 2019 from the original founders. Since its investment, Arch Equity has made a number of investments targeted to improve the customer value position, and positioned HTTP to become a larger part of their customers' tube needs, with the goal of becoming a market leader in the tubular heating industry in the United States. "Between our restructuring of the entire shop floor, to incorporating new software, buying new equipment, hiring new talent, and other efforts, we remain excited about investing in HTTP," says Lindenmayer. "All this investment is geared towards trying to serve more of our market better, faster, and smarter."

Serving domestic and international customers

The company's warehouse located in Conroe, TX, includes 48,000 square feet of shop and storage area, with an additional 4,000 square feet of office space.



"We sell tubing, facilitate mill deliveries to customers, and provide value-added services, such as U-bending, L-foot high finning, integral low finning, and specialty items like custom ferrules and turbulators," says Wright.

The warehouse in Texas can also be expanded to increase the company's capabilities and capacity. "Our warehouse has the potential to expand by more than 50%," Wright explains. "Given our expanding operations, and despite the impact of COVID-19, we have recently added several new employees. We spend a great deal of effort finding the best

people to join our team. Having the right people is a big part of our customer service, because when we tell a customer we can meet their needs, we know we have the right personnel and manpower to get the job done."

Globally, HTTP is growing every day. "The world is a smaller place than it used to be as everyone is connected today with just a keystroke. We have very deep, strategic partnerships with mills all around the world," says Lindenmayer.

"We pay close attention to global markets and trends in Canada and Mexico as those markets, though geographically contiguous, operate quite differently than those in the U.S. Some customers and intermediaries also work with plants in the Middle East, Asia, and South America, which are areas we want to further develop HTTP's presence," Wright says. "From a global perspective, we are continuing to expand our mill relationships. We get tubes from around the world, and inquiries from customers for projects that span the globe. As it is a competitive industry, our quality, communication, and customer service needs to continue to get better and better. Growing our global footprint will not happen overnight, but it is a process we are eager to continue to explore."

Growing the value chain

The company is always looking for ways to grow and offer greater value to their customers. "One of the things HTTP has the opportunity to do more with is 'exotic' tubing, with stainless steel and other corrosion resistant alloys (CRAs). "We need to make sure we were selling a complete line of tubes, in all different materials, from stainless to titanium, brass, carbon, etc.," says Lindenmayer.

HTTP is also growing the value-added services they offer. One particular area they have invested in and are looking to grow is L-foot or high finning, which is often needed on a quick turnaround basis, either in days or

one to two weeks. The company has invested in expanding their current finning capabilities, which previously was a service outsourced to third parties.

One area HTTP is seeking to specialize in is short lead times for customer orders. "If a customer's heat exchanger unit is not working, and it needs to be up and running as soon as possible as it could cost thousands of dollars a day, we have the tubes in stock, can cut them, bend them, fin them, and have it shipped to meet their needs," says Wright. "In this way, we act as a one-stop shop for the customer, which significantly compresses the lead time, giving our customers more flexibility with their projects."

Investments in new technologies and software programs to integrate their ordering system have also been made. "We now have a system that lets us know when there are anomalies in tube pricing. When this happens, we can contact our customers to let them know about the advantageous stock position HTTP is in," explains Lindenmayer. "Instead of waiting for our customers to come to us, which is how the industry has worked for decades, we are able to be proactive and present our customers with opportunities."

Wright continues, "With the expansion of our sales force, we aim to turn around each quote the same day we get it, and often times in under two hours. We understand time and information are each in their own way valuable to our customers, and from a customer service standpoint, both opportunities and problems need to be dealt with right away. This is where we shine."

Providing solutions to a range of industries

HTTP provides tubing in various grades of materials to a wide range of industries, including oil, gas, petrochemical, chemical, plastic, pharmaceutical, wastewater treatment, water, pulp, paper, food, beverage, power generation, nuclear power, and agriculture. The tubing they provide includes welded and seamless stainless steel, welded and seamless low carbon and carbon alloy, and welded and seamless nickel alloys. These tubes are used in heat exchangers, condensers, boilers, feed-water heaters, and economizers, among other systems. "There are the regular carbon and stainless tubes that make up the bulk of stock the marketplace, but we also offer exotic tubes made of materials like Inconel, titanium, brass, and many others," says Wright. "We understand our job is to provide what the customer needs no matter the size and type of tubing."

Each product HTTP provides goes through a quality assurance process before leaving the warehouse. "For tubes requiring additional value-added work, we follow ASTM and ASME specifications, and all corresponding testing processes. We conduct visual inspections, hydro testing, air underwater testing, and Eddy Current Probe testing," states Wright. "Our mill partners conduct any necessary additional testing such as corrosion testing, reverse flattening tests, and more."

The research and development process for products at HTTP is customer-focused. "Some companies have whole teams dedicated solely to researching and developing new products and services. For us, we speak directly to our customers and mill partners to find what they are missing, and see how we can fill that gap," says Lindenmayer.

Looking to the future of HTTP

HTTP has a formal strategic planning process from which a defined set of goals, covering the short and long term, are derived, all of which stem from the fundamental need to provide a higher value proposition to their customers. "Our first priority is to continue expanding our tube and value-added offerings. We want to improve our access to a targeted group of tube types and alloys, and are constantly working with strategic partners to improve our market position, along with expanding our



tube inventory position at our warehouse," explains Lindenmayer. "All of this is in pursuit of the one-stop-shop for our customers, so that we can continue providing short turnarounds and deliveries."

Wright reinforced the need to continue to develop the employee base as a key element of this process. "We are a very young company and bring new ideas and approaches to this business, some of which will take time to develop. Continuing to invest in our people is of the highest priority, and this investment shows up

best in our approach to customer service and a more proactive style of customer engagement."

"Over the next three to five years, we believe we can compete on an equal footing with our closest competitors, and in some cases we are already there and even ahead of the competition. The objective is that once we reach this level footing, we can start to become a market maker, rather than a market follower. We will continue with our 'Let's get after it!' attitude, to show the industry what we can do for them," Lindenmayer concludes.