



## Consumable specialist transforms market strategy

*African Fusion* talks to Tim Sivewright (left), general manager for the Welding division at Böhler Uddeholm Africa, voestalpine Böhler Welding Group's South African distribution partner.

The Böhler Welding division of Böhler Uddeholm Africa, the local distribution partner for global welding, maintenance and cladding and brazing filler metals specialist, voestalpine Böhler Welding, "is a different animal today than it was three years ago," Sivewright begins.

Globally, vaBW has long serviced the premium requirements in segments such as Oil and Gas and Power Generation. But these segments have been shrinking in recent years, with associated impacts on the company's global growth. "We have always focused on the development and supply of niche consumables into these important segments: Cr-Mo alloys in Böhler, Thermanit and UTP branding, for example, for both joining and cladding applications," he continues.

"With regards to our flux-cored wire portfolio, besides having long standing manufacturing facilities in Kapfenberg, Austria, for the manufacture of folded and laser seam welded cored wires for joining and, in Seneffe, Belgium, for the manufacture of folded maintenance and repair cored wires, in 2013, vaBW purchased a 90% stake in Fileur, based

in Cittadella, Italy, a specialist in the production of tubular seamless flux-cored wire. These high quality seamless cored wires offer low moisture pickup and hydrogen content, making them especially suitable for welding high strength, low temperature and creep resistant steels.

"When I started here in June 2014, we were experiencing the drop off in demand from the Medupi and Kusile power station construction projects, which had traditionally been our bread and butter. While we had started to bring in some low-hydrogen, 7018-1 LH electrodes and mild steel ER70S-6 GMAW wires, the volumes were very small," he informs *African Fusion*.

"Böhler Uddeholm RSA acts as the official distributor for vaBW in South Africa, with most of its products procured out of Europe. The brands were traditionally all controlled by the vaBW production facilities from a transfer price and source location point of view, so, at that time, we were finding it hard to compete," he recalls.

"In 2014, the senior vice president for global sales at vaBW convinced the managing board of vaBW to invest in the region by creating voestalpine Böhler



*Electro-slag welding (ESW) single layer cladding using UTP Soudotape 825 in combination with Record EST 138 flux. The ESW process enables the required surface chemistry to be achieved in a single layer on certain applications.*

Welding – Sub Sahara Africa, a regional sales team reporting directly to him, this with the intent of driving the growth in sub-Saharan Africa, including RSA. The vaBW regional sales team is headed by regional sales director, Herbert Abbott, who is based in South Africa. Further to this, vaBW introduced a functional pricing model that allowed the regional sales units to manage the responsibility of market driven pricing.

"The regional sales team of vaBW, in cooperation with Böhler Uddeholm Africa, identified the need to tap into volume markets where traditionally we were not regarded as a player and also to expand on the product portfolio in order to make our product more appealing, not only to direct end users, but to distributors too," says Sivewright.

"We analysed our markets and there was a clear need to complete the basket by adding more products to the mix, consumables such as unalloyed MIG & TIG wires, unalloyed and medium alloyed flux-cored wires and premium unalloyed and high-alloy SMAW electrodes. Broadly speaking, we needed to add some faster moving products to



*voestalpine Böhler Welding now offers an extended range organised into three core brands: Böhler Welding, commonly known as Böhler Blue; UTP Maintenance; and Fontargen for brazing alloys.*

the premium products already in the range," he says.

As a result, as from November 2014, Böhler Uddeholm Africa has added and now stocks at least 30 new/additional products, each in a variety of diameters and packaging formats. "These are all products that have never been sold in the South African market before – and they are all vaBW products made in vaBW factories to vaBW quality standards," Sivewright tells *African Fusion*.

The deployment of its new market strategy resulted in quick success. "We are, for example, doing very well with our GMAW stainless steel range and our cost effective GMAW carbon steel wires. We have also brought in an excellent Böhler TIG range, which allows us to compete with anyone in the local market," he says.

The general purpose Böhler Fox range of premium 6013 electrodes, though, is a surprising success. "The general purpose offering in the Southern Africa market is quite divided. There are a number of cheaper brands that sell for around R20/kg, and some premium brands at around R100/kg, but there is very little in between. We can offer our Böhler Fox electrodes at around half the price of current premium 6013 offerings, which, with its excellent welding characteristics, is appealing to both direct users and our distributors who were traditionally obliged to stock both premium and cheaper branded products," Sivewright says.

Focusing on the repair of heavy mining equipment, the company has introduced a range of SMAW electrodes and FCAW wires tailored to application for both joining and repair and maintenance applications. "We are also targeting the sugar industry with our UTP range of dedicated sugar segment SMAW and FCAW products which are manufactured in vaBW production facility in Brazil. These are a market breaker!" he exclaims, explaining that "their use for repairing hammers, knives and mill rolls for cane crushing and shredding is currently outperforming anything else on the market."

Turning attention to the new flux-cored consumables, Sivewright lifts out the Böhler Ti 60T-FD, a tubular seamless flux-cored wire with a fast freezing slag – for customers wanting to "remove any risks of hydrogen cracking" while thick-section repair/manufacture welding of earthmoving equipment.

The E71T-1 Böhler Ti46-FD is another excellent cored wire for manufacturers using mixed gas and wanting minimum hydrogen levels (H5). "In addition, though, for applications where hydrogen levels are a less of a concern, we have an excellent product in our Böhler 71T-1 which is competitive with most suppliers of inexpensive flux-cored wires on the market," he adds.

"Submerged arc consumables are also part of the new offering. We cater for manufacturers of fabricated pipe, structural steel, pressure vessels, wind towers, and any other joining application that could benefit from the high deposition efficiency of this process," he says.

"We can now offer high-end as well as high-quality lower cost alternatives based on a fitness for purpose approach. We are no longer tied to the low-volume high end-only model," Sivewright explains, adding, "while we are sourcing some of our volume products from vaBW factories in China, Indonesia, India and Brazil, we and our fast growing customer and distributor base rest assured that with a vaBW product, there is absolutely no compromise on quality," he adds.

From a testing and qualification point of view, Böhler Uddeholm's Welding division in South Africa has also begun to negotiate directly with key clients, particularly in the petrochemical and oil & gas sectors, about their testing and qualification requirements. "Customers do not always understand the real costs of testing. So to reduce costs, we prepare our consumable qualifications to suit the specific needs of these clients," Sivewright reveals.

We now keep stock selected specially pre-tested consumables in order to remove any doubt about whether the consumables conform to the special client requirements. This does require that we work closely with the technical teams of our clients, so that everyone is satisfied," he suggests.

The net effect of this new market strategy? "We have tripled our sale volume in the 18 months since deploying the new products – this in the prevailing tough economic climate.

"In order to support our growth, we have had to increase inventory levels by 35%. We hold stock in Johannesburg, Port Elizabeth, Cape Town and Durban.



*Böhler Uddeholm has also brought in an excellent Böhler TIG range, "which allows us to compete with anyone in the local market," says Sivewright.*



*Dedicated UTP sugar segment SMAW and FCAW products for repairing hammers, knives and mill rolls for cane crushing and shredding are currently "outperforming anything else on the market".*

We also have an offsite warehousing agreement in Johannesburg with Dachser, the warehousing and logistics specialist. Dachser handles containers for us and also breaks consignments down, which it stores for us. Volume is delivered directly to key accounts and we draw stock from them on a replenishment basis.

"Today's market is very cost-sensitive. Customers used to be prepared to pay 40% premiums for imported quality products. Now the focus appears to be more on price and our new strategy has ensured that we cater for this shift. We now offer a much more comprehensive and competitive range whilst maintaining the market's high regard for the quality of our brand."

"We are breaking down the perception that Böhler is expensive and that we don't keep stock. We are cost competitive compared with our major competitors, our market approach is fresh, we have stock of a comprehensive range of products, we have good welding people, global backing from vaBW and Böhler Uddeholm is a Level 4 B-BBEE company. We are ready to play." Sivewright concludes. ■