MARKETING RESEARCH

Leak Repairs Specam B.V.
Teaminc Europe B.V.

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Companies supervisor: Mr. F. van Kogelenberg
Date: 6 June, 2007
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DATA

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• Commercial Engineering Hogeschool Zeeland, Vlissingen
• Vlissingen, 6 June 2007
FOREWORD

In the first place I would like to thank Mr. Korevaar for his help, to guide me through this project. Thanks for his advice and his theoretical explanations, I could make the different parts of the project in good way.

At the same time, I would like to thank Mr. Frans van Kogelenberg, because he has been my supervisor during the workplacement and he allowed me to develop this project. He has helped me and supervised my work which allowed me to work with correct information. I could not have completed this report without their help.
SUMMARY

The project is a marketing research for Leak Repairs Specam B.V (LRS)/Teaminc Europe B.V. The goal of this project is to investigate if there is a potential market for LRS in the United Kingdom, Belgium, France and Germany, and if this is the case, to investigate the size of those markets.

LRS offers several specialised services (Leak Repair, Hot tapping, Field machining, etc.). Various kinds of industries need those services, for example, oil refineries, petrochemical industries, ship (repair) yards and power plants. The names and locations of potential customers will be collected and information about these companies will be analysed in order to know the characteristics of the market. The information will be obtained by means of a questionnaire and by analysing secondary sources. The location of potential customers is important in order to determine the best possible location to open an office.

In order to check the possibilities for LRS in the above mentioned countries, the competitors will be studied too. It will be necessary to know how many competitors there are, where they are located and what their strengths are.

This project explains the actual situation of the market and gives recommendations in order to create the possibility for a successful introduction in those markets.

After analyzing the answered questionnaires received, we can emphasize the following aspects:

Normally, the companies carry out corrective, predictive and preventive maintenance in their facilities. On average, response time for corrective maintenance is the same day.

Some companies outsource more activities than others. The most outsourced activities are: non destructive testing, pipe repair, leak sealing and on site machining. A majority of companies outsource more than five repair or special maintenance contracts at the same time.

The main criteria for selecting a contractor is the references they provide. Companies also look for contractors which offer the highest quality of its services.

The majority of the companies prefer to outsource each service to a local supplier, and are not interested in companies which offer all special maintenance services. The general opinion about multi site international contracts is negative.
Only general information of the competitors was gathered. I recommend a competitors’ analysis in each country before making the decision to enter a new market and the way of do it.

After analyzing the actual situation of each country I severely recommend an English version of the web site at least, but LRS will obtain much more benefits from a multi-language web site.
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1. INTRODUCTION

1.1 BACKGROUND

LRS has a need to expand its market. The Dutch market is stable. There are no expectations that major investments will be done by existing customers or by potential customers. Therefore the growth potential in Holland is limited. Gaining substantial market share is only possible by taking over competitors’ accounts. This will most likely lead to increased competition and a decreasing price level.

Opening a new office near an interesting region or just take over another company is what LRS can do to expand their activities. We have to investigate if there are interesting regions where LRS could do that. LRS has chosen for the option to expand internationally. Currently there are license agreements with partners in several European countries. LRS however has no operational control over these companies and each of these companies follows its own strategy. Therefore we cannot say that there is a European LRS organisation and that is what LRS wants to become.

1.2 PROBLEM DEFINITION

Is there a potential market for Leak Repairs Specam in

- The U.K?
- Belgium?
- France?
- Germany?

And if there are potential markets, How big are those markets?
For each country, the goal definition caused to ask the following questions;

STAGE 1: GENERAL INFORMATION OF THE COUNTRY

1.1 What is the size of the country (compared with the Netherlands)?
1.2 How large is the population?
1.3 What kind of culture/language does the country have?
1.4 Is the country industrial or more agriculture orientated?
1.5 Where are the industries of interest located? (In our case, the interesting industries are: refineries, (petro)chemical industry, power plants, steel construction and ship(repair)yards).
1.6 Determine for each kind of industry/company
   1.6.1 What is the Capacity? (barrels, kWh, ton)
   1.6.2 What is the potential total turnover in the LRS business?
1.7 What is the best location to open a new office?

STAGE 2: COMPETITORS INFORMATION

2.1 How are LRS services currently organised by the industries?
2.2 Who are LRS’s competitors?
2.3 How large (no. of employees) are LRS’s competitors?
2.4 Where are the competitors located?
2.5 Are there opportunities for LRS? If there are opportunities, how big are these opportunities?

STAGE 3: INFORMATION REQUIRED FOR ENTERING IN A NEW MARKET

3.1 Are there sufficient local qualified personnel and staff available?
3.2 Sales-culture
   3.2.1 What kind of commercial (sales) culture does the country have?
   3.2.2 Are customers easy to approach?
   3.2.3 What is the customer demand regarding documentation?
   3.2.4 How important is a multi language webpage?
   3.2.5 Although they employ local people, are foreign companies accepted easily?

STAGE 4: DETERMINE THE BEST WAY FOR ENTERING A NEW MARKET

4.1 How should LRS start in a particular country (from scratch or by acquiring a (small) local company?)
1.3 STRUCTURE OF THE REPORT

The steps that I will take in the report are written in several chapters. All these steps have a relation between them, in such a way, that each one is the consequence of the previous one. After this chapter you will find the following chapters:

- Chapter 2 contains general information about Leak Repair Specam B.V. and Teaminc Europe B.V. (activities, location, relationship, etc.).
- Chapter 3, every systematic act aimed at acquiring data described. The research includes several chapters which describe four stages that will be followed in order to obtain a solution for the goal in an organized way.
- Chapter 4, you will see the results (the essential data) according to the information found and obtained during the research of the project.
- Chapter 5, after analyzing the results, I will present the conclusions and recommendations. Each conclusion will be enclosed by a specific and feasible recommendation.

In the appendices you can find the information obtained during the different stages of the project.
2. LEAK REPAIRS SPECAM B.V.

Leak Repairs Specam (LRS) started in 1979 and has developed itself into a leading company in Western Europe, United Kingdom and Spain. LRS is a specialist in providing the following special maintenance services to the Industry.

- Industrial Leak Sealing
- On Site Machining
- Bolt Tensioning
- Line Freezing
- Hot Tapping
- Line Stops
- Emission Control
- Tube Plugging

Their principal premises are established in Vlissingen (Netherlands), Antwerp (Belgium) and in Immingham (United Kingdom). In Holland there are support branches in Rotterdam, Best, Geleen and Emmen. LRS cooperates through Teaminc Europe with a company in Spain and the Middle East.

LRS has approximately 80 employees in the Netherlands and 10 in Belgium. In the U.K. are approximately 20 employees active.

Leak Repairs has its own engineering departments which are responsible for the design of specialised equipment which comply with ASME V111 Divisions 1&2 and European engineering standards and regulations. Besides this, LRS has a certified quality system according to the ISO 9001 Norm and a VCA** certificate.

The orders LRS particularly gets come from oil refineries, (petro)chemical installations, steal construction, ship(repair)yards, nutrition industry, power plants, offshore platforms, contractors, and so on. Prompt availability of services and techniques are ensured by the company’s 24 hours availability 365 days a year.

Since 1979 LRS cooperates with Team Industrial Services, Inc (Team) settled in the USA (www.teamindustrialservices.com). Team is one of the largest companies in the world of Specialised Industrial Services and has offices worldwide. Team employs currently approximately 3000 employees.

In 1982 Teaminc Europe BV (TE) was founded. TE is a joint venture between Team, USA (70%) and LRS (30%). TE’s business is to sell know how and materials for leak sealing to selected partners in countries in Europe and the Middle East. For this, license agreements are used.
LRS has the license for Holland, Belgium, France, UK and Norway. Spain, Portugal and the countries in the Middle East have own licensees. In principle there is only one (1) licensee per country.

Currently LRS and TE are looking into the possibility of a combined approach in order to grow towards a European operating company with own offices in the various (western) European countries. This study shall be used for this purpose.

Both LRS and TE (Team) are successful corporations, operating in a profitable market. Therefore sufficient financial means can be made available in order to develop the business in (western) Europe.

A brief description of the services LRS/TE offer are described hereafter.

ONLINE LEAK REPAIRS

LRS is specialised in under pressure repairs of leaking pipelines and equipment. Repairs are carried out without any necessity of costly plant shutdowns. Flanges, valve glands, tanks, split lines, etc. can be repaired in a non-destructive way within a short time. In addition to steam, water and air leaks, all kind of hydrocarbons and chemical leaks of up 500 bar pressure and temperature from minus 100ºC to plus 750ºC can be repaired.

Proven methods and safe working practices together with a very large range of different sealants combine to provide a very confident and successful service to all customers.

FIELD MACHINING SERVICES

Field Machining Services provides solutions for machining activities on site at customer’s location because mobile equipment is used. Almost all machining services which normally are performed in a machine shop can be performed on site. The most common service covers flange facing, boring, pipe cutting, weld preparations, stud removals, milling, honing, etc.

The advantages of this service are significant when the alternative could be stripping down the equipment and transporting to the machine shop. If it is necessary LRS can design special equipment for the customer’s particular needs.
TECHNICAL BOLTING

Technical Bolting is the tightening or loosening of bolts in a controlled way with the use of hydraulic equipment. It is an accurate method of tightening bolts to a specified pre-load, resulting in an overall equal tension of the fasteners and an accurate alignment of flanges and equipment.

There are two methods available:

- **Bolt tensioning**: The bolt force is applied by stretching the bolts by hydraulic jacks, the nuts are hand fastened and take over the load.
- **Torque tightening**: By the use of hydraulic torque wrenches, the bolts will fastened to a torque which matches the specified bolt load.

LINE FREEZING

LRS has available a unique Freeze Stop repair system. The freeze stop is an economical and non-destructive method used to isolate piping systems and can be applied in the following situations and conditions:

- On pipe lines up to 30” in diameter;
- In pressures to the rating of the pipe;
- On pipes of steel, stainless steel or alloys;
- On piping systems containing water, hydrocarbons, and any chemical with a suitable freeze point.

The main advantage of a Freeze Stop is that it is a clean, quick, simple and economical repair method. It requires no permanent modification of a piping system and no mechanical work or welding to the piping system. Branch connections can be easily shut off without putting the main line out of service. There is no risk of dripping liquid during welding operations once the piece downstream of the plug is dried. Only small amounts of expensive liquids are lost when cryogenics plugs are used to isolate piping systems. Most important, line freezing does not permanently alter the metallurgy of pipes.

HOT TAPPING

Hot Tapping is the under pressure boring of a line, pressure vessel, tank, etc. in order to make a tie-in without the shutdown of the line. Hot taps can be performed on either liquids or gasses. Due to the special design of the hot tap machine, there will be no spillage of the product from the line.
LINE STOPS

In the event that a part of a piping system must be isolated from the rest of the system, a line stop can be performed. During operation (under pressure) a mechanical plug can be installed in the pipe sealing it from the rest of the system. The plug is installed through a hole created by means of a hottap. After completion of the works, the plug is removed. The fitting onto which the hottap/linestop equipment was installed remains on the pipe.

EMISSION CONTROL

Emissions to the environment are caused by the leaking of mostly volatile (not visible) organic compounds through connections in pipelines and equipment. With a large amount of emission points this results into an emission total of several tons per plant. LRS makes a complete inventory of all potential leaks which can then be tagged and measured by portable analyzers. The measurements are calculated to give an overall emission value for the entire plant. Emission monitoring is cost effective, safe and an asset to our environment.

TUBE PLUGGING

Tube Plugging is a fast, effective and safe method for testing and plugging of leaking tubes in heat exchanges, for a system pressure of maximum 410 bar. After the location of the tube, which has to be sealed, the plugs will be installed by a hydraulic pulling device. This will be performed in a few minutes. This method is unique as both ends of the leaking tube can be plugged from one end of the exchanger.
3. RESEARCH

In this chapter I explain the process that I will follow to obtain the goal, i.e., to determine if there is a potential market for LRS in the United Kingdom, Belgium, France and Germany, and if this is the case, to know how large those markets are.

Although not a current LRS service, the company asked to look for companies involved in non destructive testing and/or valve repair in each of the countries investigated. These are services of Team USA and therefore it is interesting to know which companies are involved in these businesses.

In order to achieve my goal in an effective way, I have decided to split it in 4 stages, which will permit me to solve the main problem through answering several sub-questions. It will be necessary to know the characteristics of each country to understand the field in which we are moving. At the time of entering a new market it will be essential to know its size, the existing competitors, as well as the way to approach this market successfully. For those reasons, the stages of the research for each country will be the following ones:

STAGE 1: General Information of the country.

In order to know the features of each country, information will be collected about the size, the population, the language, the currency, the labour size and the composition by sectors (industry/agriculture/services) of the countries.

The potential customers of LRS are companies in the (petro)chemical industry, oil refineries, power plants and ship(repair)yards. Information about these customers will be found through internet. The steel-construction industry has been eliminated of this research due to its size and the time available for the study. Information about the refineries can be found in a previous report of HZ’s students (Marketing Research Project). For each company the same information will be gathered (name, address, phone/fax, URL and kind of industry).

Finally, for each country and industry, the location of all the companies will be shown in a map. To obtain precise results, the PC program, “Google Earth” will be used.

Not all the web sites contain the required information, for this reason, an email will be send to the company asking for the required information.
Examples:
To SOS Bolting (c.billard@rapidtorc.com) to ask about the specific locations.

To Dicalite (sales@dicalite-europe.com) to ask about its activities. In this case, I could eliminate this company because they explained me that its activities are not interesting for my research.

To dgzf.de, a German Society for non destructive testing, to ask information about the companies that offer this service.

If I will not find enough information about the companies or this information could not be confirmed, to have constancy of its possible utility, this information will be enclosed in another table after the table with the correct information.

**STAGE 2: Competitors Information**

In the same way as in stage 1, information about the competitors in each country will be gathered from the internet.

It has been determined that the competitors are those companies that offer the same services or some of the services that LRS offers, as they are: leak repair, hot taps, line stops, field machining, technical bolting and emissions control. As said in paragraph 2 of this chapter also companies that offer non destructive testing and valve repair will be enclosed.

**STAGE 3: Information required for entering in a new market**

I will write a questionnaire to obtain the customer’s preferences/demands in order to analyse the possibilities of LRS in these countries. The questionnaire lets to know the best way to offer LRS’s services to the potential customer in an effective way and then obtain the most customers as possible.

The questionnaire will be a multi-choice answer questionnaire that means that with each question several possible answers appear. I have chosen this kind of questionnaire because is faster and easier to answer and this is important to get as much response as possible.

Due to the importance of the questionnaire to obtain interesting data about potential customers and the low index of answers that is obtained habitually, I will sent the questionnaire to almost all companies found in each country.
The questionnaire will be sent by emails or via the company’s web site where a form appears that can be filled out to ask for information. I will use the contact form if the mail address will be not provided.

In the next table you can see the questionnaires that will be sent to each country and industry:

<table>
<thead>
<tr>
<th></th>
<th>U.K.</th>
<th>Belgium</th>
<th>France</th>
<th>Germany</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Shipyards</strong></td>
<td>30 mails</td>
<td>14 mails</td>
<td>9 mails</td>
<td>38 mails</td>
</tr>
<tr>
<td></td>
<td>1 form</td>
<td>3 form</td>
<td>6 form</td>
<td></td>
</tr>
<tr>
<td><strong>Petrochemicals</strong></td>
<td>15 mails</td>
<td>38 mails</td>
<td>26 mails</td>
<td>95 mails</td>
</tr>
<tr>
<td></td>
<td>22 form</td>
<td>22 form</td>
<td>20 form</td>
<td>22 form</td>
</tr>
<tr>
<td><strong>Power Plants</strong></td>
<td>7 mails</td>
<td>2 mails</td>
<td>11 mails</td>
<td>42 mails</td>
</tr>
<tr>
<td></td>
<td>15 form</td>
<td>2 form</td>
<td>4 form</td>
<td>11 form</td>
</tr>
</tbody>
</table>

Table 1: Companies contacted

Because some companies have the same form or mail addresses to contact them in different countries I will send 415 questionnaires.

In the appendix 5.2 you can find a list of mail address where the questionnaire will be sent and the web sites where a contact form will be filled in.

In the study of the power plants, I will send the questionnaires to the power plant’s operators, since in most of the cases a direct contact with the plant is not possible, because it is the own operator who facilitates the information about the plants. Usually, there are two ways to contact the operators by Internet, by means of a questionnaire form in its web site or by mail. The appendices about the power plants (1.1, 2.1, 3.1, and 4.1) contain the information about the operators (URL / Mail).

**STAGE 4: Determine the best way for entering a new market**

The purpose of this stage is to determine how LRS should start in a particular country (from scratch or by acquiring a (small) local company.

Because this project will be performed in a short period of four months, and due to the extension of the previous stages, the stage 4 could not be carried out. This was discussed with and agreed by Mr. F. van Kogelenberg.
4. RESULTS

In this chapter, I present the results obtained from the collected information. All the information has been analyzed in a similar way and results are presented in an order that they can be compared and understood easily.

The results are presented in this order:

- United Kingdom
- Belgium
- France
- Germany

The results of every country are broken into three segments in order to solve each stage of the research separately. The results appear in this order:

- General Information
- Specific Industry’s results
- Competitors’ results

In order to have a clear idea about the location and size of the countries studied, a Europe map is shown next:

Figure 1: Europe map
4.1 UNITED KINGDOM

4.1.1 General Information

Population: 60,700,000 (2006)
Area: 241,000 sq km (5 times bigger than The Netherlands)
Currency: Pound
GDP - real growth rate: 1.9% (2005 est.)
GDP - per capita: $30,100 (2005 est.)
Language: English

Agriculture: 1.5%
Industry: 19.1%
Services: 79.5%

GDP - composition by sector (2005)
Agriculture: 0.5%
Industry: 23.7%
Services: 75.8%
4.1.2 Specific Industry’s results in U.K.

In the U.K, I found 167 potential customers which are spread out all over the country.

<table>
<thead>
<tr>
<th>Industry</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power plants</td>
<td>53</td>
</tr>
<tr>
<td>Shipyards</td>
<td>38</td>
</tr>
<tr>
<td>Petrochemicals</td>
<td>76</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>167</strong></td>
</tr>
</tbody>
</table>

Table 2: U.K. Companies

Detailed information (name, address, phone/fax, URL, activities/products and location) of these companies appears attached in the appendices that are mentioned next:

Appendix 1.1: Power plants in the U.K.
Appendix 1.2: Ship(repair)yards in the U.K.
Appendix 1.3: Petrochemicals in the U.K.

About the power plants, it is important to enhance the importance of the coal-fired power plants due to its features those power plants are very interesting potential customer for LRS. In the U.K. there are eleven plants with these characteristics which are almost all located in the centre and South-East of the country. This is the same for the majority of the power plants in U.K.

In the case of the ship(repair)yards, the companies are located along the coast. For the petrochemical sites I found that there are a lot of companies in the zone Centre of the country called the Central belt.

All the locations can be found in the maps that appear in the correspondent appendix.
4.1.3 Competitors’ results in U.K.

174 competitors were found in the United Kingdom.

It is possible to emphasize that 68 companies exist which are dedicated exclusively to the service of non-destructive testing, 31 companies offer a unique service (valve repair or technical bolting or on-site machining) and the other 75 offer more than one service.

Eight of the companies that offer more than one service have locations in the counties studied (Belgium, France and Germany) and 17 companies have several locations in the U.K.

The largest concentration of competitors is in the zone Centre of the country (you can see around 50 competitors in the zone 4 of the competitors map, appendix 1.4). It is right to affirm that the 70% of the competitors are located in the Centre and in the South of the U.K. and only a 30% are located in the North.

For further information about the competitors in this country, see appendix 1.4. In this appendix you will also find a map with the location of the companies.
4.2  BELGIUM

4.2.1  General Information

Population: 10,400,000  (2006)
Area: 32,545 sq km (0.6 times size of The Netherlands)
Currency: Euro
GDP - real growth rate: 1.9% (2005 est.)
GDP - per capita: $27,570 (2005 est.)
Language: Dutch / French / German


<table>
<thead>
<tr>
<th>Occupation</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>2%</td>
</tr>
<tr>
<td>Industry</td>
<td>25%</td>
</tr>
<tr>
<td>Services</td>
<td>73%</td>
</tr>
</tbody>
</table>

GDP - composition by sector (2005)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>2%</td>
</tr>
<tr>
<td>Industry</td>
<td>25%</td>
</tr>
<tr>
<td>Services</td>
<td>73%</td>
</tr>
</tbody>
</table>

Figure 3: Belgium map
4.2.2 Specific Industry’s results in Belgium

<table>
<thead>
<tr>
<th>Industry</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power plants</td>
<td>29</td>
</tr>
<tr>
<td>Shipyards</td>
<td>19</td>
</tr>
<tr>
<td>Petrochemicals</td>
<td>93</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>141</strong></td>
</tr>
</tbody>
</table>

Table 3: Belgium Companies

Detailed information about these companies can be found in the following appendices:

Appendix 2.1: Power plants in Belgium
Appendix 2.2: Ship(repair)yards in Belgium
Appendix 2.3: Petrochemicals in Belgium

The power plants in Belgium are under control of the operator Electrabel. In line with the size of the country, there are fewer power plants (29) and only two of them are coal-fired plants.

Most ship(repair)yards, are located in the North-West of the country, around two cities, Ostend and Antwerpen.

In spite of the country size, there are a great number of companies related to the petrochemical industry (93). There is a concentration of petrochemical sites in the North of the country (Oost-Vlaanderen, Antwerpen regions).

All these locations can be found in the maps that appear in the correspondent appendix (Appendix 2.1, appendix 2.2 and appendix 2.3).
4.2.3 Competitors’ results in Belgium

I could find 21 competitors in Belgium. Most of those companies offer more than one service (there are only five competitors which are exclusively dedicated to the non destructive testing or to the technical bolting).

10 competitors have other locations in some of the other studied countries and five of them have locations in the three studied countries (U.K., France and Germany).

80% of the competitors are located in North-Centre of Belgium (Brussels and Antwerpen and its surrounding areas).

For further information about the competitors see appendix 2.4. A map with the location of the companies can also be found in this appendix.
4.3 FRANCE

4.3.1 General Information

Population: 61,100,000 (2002)
Area: 550,000 sq km (13 times bigger than The Netherlands)
Currency: Euro
GDP - real growth rate: 1.4%
GDP - per capita: $29,900
Language: French
Labor force - by occupation (1999)

<table>
<thead>
<tr>
<th>Sector</th>
<th>1999 Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>4.1%</td>
</tr>
<tr>
<td>Industry</td>
<td>24.4%</td>
</tr>
<tr>
<td>Services</td>
<td>71.5%</td>
</tr>
</tbody>
</table>

GDP - composition by sector (2005)

<table>
<thead>
<tr>
<th>Sector</th>
<th>2005 Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>2.2%</td>
</tr>
<tr>
<td>Industry</td>
<td>21.4%</td>
</tr>
<tr>
<td>Services</td>
<td>76.4%</td>
</tr>
</tbody>
</table>

Figure 4: France map 1: 105,000,000
4.3.2 Specific Industry’s results in France

After analyzing the petrochemical industry, power plants and ship(repair)yards I have found 248 potential clients in France.

<table>
<thead>
<tr>
<th>Industry</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power plants</td>
<td>81</td>
</tr>
<tr>
<td>Shipyards</td>
<td>21</td>
</tr>
<tr>
<td>Petrochemicals</td>
<td>146</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>248</strong></td>
</tr>
</tbody>
</table>

Table 4: French companies

Of the 81 to power plants found, 15 plants are coal-fired plants which are mainly located in the North of France (11 of them). There are 21 nuclear plants spread around the country and Electricité de France is its operator. It is the largest number between the studied countries. In the appendix 3.1 you will see a detailed description of the power plans and its locations in several maps.

There are 21 ship(repair)yards. 15 shipyards are located in the North-West coast of France. This is the largest concentration.

146 petrochemical sites were found. In the appendix 3.3 you can find a map with the location of those facilities and find three areas with a large concentration of companies in the North and in the South-East of France.

Detailed information about these companies can be found in the following appendices:

Appendix 3.1: Power plants in France
Appendix 3.2: Ship(repair)yards in France
Appendix 3.3: Petrochemicals in France
4.3.3 Competitors’ results in France

27 were found in France in the North-West area (except 2 competitors that are located in the North-East and 6 located in the South-East area). More than 50% are established in the Île-de-France region.

The most of these competitors (17) offer a unique service, normally, non destructive testing service and less frequently the valve repair or the technical bolting service, meanwhile 10 competitors offer several services.

19 competitors have locations in the other studied countries.

For further information about the competitors in this country see appendix 3.4. A map with the location of the companies can also be found in this appendix.
4.4 GERMANY

4.4.1 General Information

Population: 82,000,000 (2006).
Area: 350,000 sq km (8 times bigger than The Netherlands)
Language: German / English is widely understood
Currency: Euro
GDP - real growth rate: 0.9 %
GDP – per capita: $30,400
GDP - composition by sector:

<table>
<thead>
<tr>
<th>Sector</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>0.9 %</td>
</tr>
<tr>
<td>Industry</td>
<td>29.6 %</td>
</tr>
<tr>
<td>Services</td>
<td>69.5 %</td>
</tr>
</tbody>
</table>

Labor force - by occupation

<table>
<thead>
<tr>
<th>Sector</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>2.8%</td>
</tr>
<tr>
<td>Industry</td>
<td>33.4%</td>
</tr>
<tr>
<td>Services</td>
<td>63.8%</td>
</tr>
</tbody>
</table>

Figure 5: Germany map 1: 97,000,000
4.4.2 Specific Industry’s results in Germany

Germany is the country with the largest number of potential customers, 428, which are divided into:

<table>
<thead>
<tr>
<th>Industry</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power plants</td>
<td>160</td>
</tr>
<tr>
<td>Shipyards</td>
<td>63</td>
</tr>
<tr>
<td>Petrochemicals</td>
<td>205</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>428</strong></td>
</tr>
</tbody>
</table>

Table 5: German Companies

In this country the study of the power plants is very interesting because there are 51 coal fired plants spread for all the territory. The main operator in those plants are; Vattenfall Europe AG, E.ON Energie, Steag AG, RWE.

Germany has the largest amount of shipyards, 63. As it is logical, most of the shipyards are along the coast of the country, an important number of them in the cities of Bremerhaven and Hamburg. Several shipyards are located along the river Rhine.

205 petrochemical sites were found in Germany. In the appendix 4.3 you can find a map with the location of those facilities and find three areas with a large concentration of companies.

Detailed information about these companies can be found in the following appendices:

- Appendix 3.1: Power plants in France
- Appendix 3.2: Ship(repair)yards in France
- Appendix 3.3: Petrochemicals in France

These appendixes also contain the maps with the companies’ location.
4.4.3 Competitors’ results in Germany

I could find 36 competitors which are spread all over the country. Most competitors are located in the region Nordrhein-Westfalen in the West of Germany.

50% of the competitors offer several services (18 competitors). 16 competitors offer only non-destructive testing service, 1 competitor offers the on-site machining service and other competitor the valve repair service.

12 competitors have locations in the other studied countries and 5 competitors have several locations in Germany.

For further information about the competitors in this country see appendix 3.4. A map with the location of the companies can also be found in this appendix.
4.5 QUESTIONNAIRE RESULTS

After the questionnaire was sent, I received several mails which informed me that there was a technical problem (prohibited by administrator, recipient address rejected, content rejected, source routing not allowed) or a delivery problem due to the mails was sent to an unknown user. These problems occurred with 32 addresses.

In other cases the contact person was out of his/her office and an automatic mail was received. This mail indicated the return date and an address for contacting with other person if the problem was urgent. All those mails were re-sent in the adequate date.

Not always it was possible to find the address of the appropriate person for answering the questionnaire, in fact, a lot of times I could only fill a general form or wrote to a general information center. As answer, I received a mail that informed me about the re-address of the information request, but the address of the person who would receive the mail was no specified. For example:

Rita Quinn from ESB Networks (ESBNetworks@esb.ie) sent the questionnaire to the Station Manager in Poolbeg Power Station who will reply to me directly.

In some cases, I considered interesting companies that did not belong to the analyzed industries. Those companies sent a mail to inform me about this situation. It occurred with the following companies: Basf Coating (Wuerburg), Zoepffel & Schneider GmbH, Hitachi Power Europe, Imac and Sita UK.

So, after sending the questionnaire for first time, I only received:
4 questionnaires answered
4 negative answers (they can not provide this information)
5 questionnaires had been sent to no interesting companies

In order to get a higher response rate, I waited one week and re-sent the questionnaire again, then I obtained:
15 questionnaires answered
14 negative answers

The final results that I have obtained are:
Total questionnaires answered: 19
Total negative answers: 18
Overview of the answered questionnaires:

<table>
<thead>
<tr>
<th>Operators</th>
<th>U.K.</th>
<th>ESB Networks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>First Hydro Company</td>
</tr>
<tr>
<td>Germany</td>
<td>SRS Ecotherm GmbH</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Vattenfall</td>
</tr>
<tr>
<td>Belgium</td>
<td>Ivoo</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Petrochemicals</th>
<th>U.K.</th>
<th>Akzo Nobel Chemicals GmbH</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Degusta</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Honeywell Specialty Seelze</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Intervet</td>
</tr>
<tr>
<td>Germany</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td>Akzo Nobel Chemicals</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Eval</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Recticel</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Petrochemicals Antwerp</td>
</tr>
<tr>
<td>France</td>
<td>Performance Fibers</td>
<td></td>
</tr>
<tr>
<td>France/Germany</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belgium/Germany</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belgium/Germany</td>
<td>Ineos</td>
<td></td>
</tr>
<tr>
<td>Ship(repair)yards</td>
<td>U.K.</td>
<td>DLM Applendore</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Germany</td>
<td></td>
</tr>
<tr>
<td></td>
<td>J.J. Siestas</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Schluchseewerk AG</td>
<td></td>
</tr>
</tbody>
</table>

Table 6: Companies which answered the questionnaire

In general getting a response to a questionnaire is difficult. Most companies do not respond at all or give a negative response. In this case where a student asks for information, the response is even lower. A lot of companies refer to their website. These however mainly provide general information and not the information I asked for.

In order to analyse the results of the questionnaire easily the answers are transferred into a graph. See appendix 5.4 for the graphs.
5. CONCLUSIONS AND RECOMMENDATIONS

5.1 QUESTIONNAIRE CONCLUSIONS

The following conclusions can be emphasized from the obtained questionnaire results:

- Corrective, predictive and preventive maintenance are carried out in the majority of the facilities.

- The average response time available for corrective maintenance is normally the same day when it is required.

- The general maintenance is outsourced to contractors for several activities.

- Approximately half of the plants have one mayor maintenance shutdown per year and the other half have more than 3 per year.

- 50% of the companies have some special activities more outsourced than others. Those activities are: non destructive testing, pipe repair, leak sealing and on site machining.

- In order to find/look for a new contractors, the companies pay special attention in the references of the possible contractors.

- The companies select a contractor based on the high quality of its services. The low price and the response time are important factors too.

- The majority of the companies (around 80%) prefer to outsource each service to a local supplier, and they are not interested in a company which offers all the special maintenance services.

- Nowadays, 55% of the companies have outstanding more than five repair or special maintenance contracts at this moment.

- In most of the cases, the contracts taken out with special maintenance and repair companies, are one/two years contracts or longer than two years.

- The general opinion about multi site international contracts is negative (impractical or too complicated to carry out).
5.2. OVERALL CONCLUSION

One of the most important goals of this project is to know how to enter into a new market. For that reason, LRS has to present itself in such a way that people of each market (each country) will become familiar with the product LRS offers them.

Considering that Internet is, at the moment the greater source of information and the most and easily accessible, it is likely to ensure that future clients of LRS from U.K., Belgium, France and Germany, will make a search for information through Internet and they will do that using its mother tongue or English. Therefore I strongly recommend developing an English version of the Website. Adding a French and German version is something LRS has to consider. The company shall most likely benefit from a multi language web site.

In this research I have looked for information about the competitors, but in order to understand the real possibilities to enter into a new market, I recommend a competitors’ analysis in each country, i.e., a study to know who will be the most important competitors, in which areas they operate, how is the relationship with its customers, etc. This competitors’ analysis will enable us also to gather information about the best way to enter into a certain market, from scratch or by acquiring a (small) local company.

5.3 UNITED KINGDOM

There are 167 potential customers in U.K. spread out over the country. It is true that there are 174 competitors but only 45% of them offer several services as LRS. I have checked the previous project of the HZ’s students and I emphasize an important problem; the relationship between the competitors and the customers. In some industries the companies do mainly business with local suppliers who have expertise on a certain scope of maintenance. So I maintain the recommendation to take over one or more companies and bundle their activities and knowledge together with the knowledge and expertise of LRS. In that way you can create a strong company which can provide specialised service with local people.

The best place to start will be in the centre and/or South of the country where a large number of the potential customers are located.
5.4 BELGIUM

In Belgium there are many potential customers in the North (Antwerp and Oost-Vlaanderen regions) so it is possible for LRS to expand its activities in this area. Belgium is very attractive for LRS, because the language will, in the Dutch speaking part of Belgium not be a problem. Antwerp is near to Vlissingen and opening a new office will be easier because they can be in contact and support them.

Before making a decision I recommend a competitors' analysis because the LRS’s competitors in Belgium are located in the same area, offer several services as LRS and have locations in other countries, so their position in the market and their relationships with their customer must be studied.

5.5 FRANCE

With 248 potential customers starting a new LRS location in France could be a possibility. The new office could be located in the North of the country where there is the largest number of customers of each of the analyzed industries. Due to this reason, the most of the competitors are located in this area, so I recommend a competitors’ analysis to understand better the changes of LRS in this new market.

It is important to remember that the main language in France is French. Although it is improving, English is not very widespread. Therefore it is important to be able to communicate in French in order to prevent the language from becoming a barrier. I recommend LRS to educate some key personnel in the French language and to have French version of its Web site.

5.6 GERMANY

Germany has the largest market with 428 potential customers. This makes Germany very attractive for LRS.

I found 36 competitors in this country, but due to the language problems I could not find more competitors. So the language is a barrier to analyze correctly the situation in this country. Anyway you can observe that the majority of the companies are located in the North-West of Germany, a good region to open a new LRS location.

I recommend a competitors’ analysis like in the other countries. It will be better if this analysis is made by a person who knows the German language in order to be able to obtain a larger amount of data required for more accurate results.
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- www.directory.lrfairplay.com
- www.epca.be/membership/list
- www.europages.es
- www.fhc.co.uk/ffestiniog.htm
- www.google.com
- www.ich.no/links/hydropower_projects.htm
- www.industcards.com/ppworld.htm
- www.kellysearch.com
- www.petrochemistry.net
- www.ref.org.uk
- www.refiningonline.com
- www.vacuum-guide.com

Internet sources for competitors’ information;
- www.europages.es
- www.google.com
- www.kellysearch.com
- www.rigzone.com

All the web sites of the companies visited for this project are attached in the appendixes.

Books;


Reports;