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HW-INOX: A one-s

Two years have passed since our last visit to HW-INOX, during which time the company has grown from strength to strength. Based in Ratingen, Germany, this family business has made significant investments in stock, logistics, staff and warehouse capacity, making it one of the largest and most versatile stockholders of quarto plate in Europe and further afield. While the company has expanded its offerings and operations, its core values have remained unchanged: commitment to product quality, excellent customer service, prompt delivery and competitive pricing. To learn more about recent developments within their company, Stainless Steel World News spoke with Managing Directors Werner and Thorsten Huch.

By Matjaž Matošec



HW-INOX warehouse measuring 10,000 m² and storing about 8,000 tonnes of quarto plate



Thorsten Huch (left) and Werner Huch (right), Managing Directors of HW-INOX

Established in 2005, HW-INOX may still be a relatively young firm, but the years of experience on which it has been based make it a mature, well-seasoned company that fully understands its customers' needs and is able to immediately respond to them. Before founding HW-INOX, Werner Huch had spent about 30 years in the stainless steel business, first dealing with cold-rolled sheet and coil and then running his own service centre. Upon selling it in 2002, he realised that there was a big gap in the market for a specialist supplier of hot-rolled quarto plate – an instinct which has proved to be spot-on. Looking back, he reminisces with amusement as well as pride: "When starting 12 years ago, our long-term goal was to achieve annual sales of around 10,000 tonnes, which many people found extremely ambitious, some even insane. Today we sell more than the triple of that amount and expect our tonnage to rise to 32,000 in 2016." Since its inception, the company has been increasing its turnover and made a profit every single year after the start-up in 2005, even during the years following the Lehman Brother crisis of 2008 and the nickel-price crisis.

In 2008, HW-INOX reached an important milestone when

Thorsten Huch joined his father's enterprise, now becoming a two-generation company. By then he was already fully familiar with stainless steel and international business life, having spent some time working in the USA. Shortly after joining the HW-INOX team full-time, he established a quality management system and helped the company obtain international TUV and ISO 9001:2008 certifications. He was also responsible for implementing new software and gradually became more involved in the organisational side of the business. At the end of 2009, Thorsten took on the role of Sales Manager, which he carried out until the end of 2013. Now he is Managing Director and is responsible for organisation, sales strategy and purchasing, while his father's role revolves around finance and procurement, overseen together with Thorsten.

Comprehensive stock range

In the past two years, HW-INOX has dramatically expanded its product portfolio, adding new thicknesses, dimensions and grades to their already impressive stock of quarto plate. One third of their customers are end users from the machine building, oil & gas, pulp, and chemical industries, another

third of stock is sold to cutting companies, and the remainder to distributors. To satisfy the most varied of demands, they are continuously diversifying their range of both fast-moving commodities as well as slow-moving special products. The company has a constant stock of about 8,000 tonnes of quarto plate measuring up to three metres in width, 12 metres in length and 150 mm in thickness. In addition to standard stainless steels, they store materials in a number of duplex (4462, UNS 31803, S32205, AISI 2205), super duplex (4410, 2507, UNS 32750) and heat-resistant grades (4828, 4841/314, 4845/310S, 4835). With such a comprehensive range of products readily available from stock, HW-INOX truly is a one-stop shop for quarto plates.

Revealing their business strategy, Werner Huch explains: "We are adding more and more specialties to our stock as we find that this makes us even more attractive to our customers. It is much easier to sell the commodities when the client knows that they can also get a small amount of a very special product – immediately."

Thorsten Huch elaborates: "In the last two years we have expanded our stock program in all directions. We have added thicker materials to our stock, but also carry thinner materials than previously. We have also invested in plates that are quick movers, to increase the possibilities for our customers to buy what they need from us. What makes our portfolio particularly unique, however, is a combination of standard and special thicknesses, dimensions and grades. Speaking of thickness, a lot of traders stock materials measuring up to 12 mm, while others go higher but limit their stock to standard thicknesses such as 15, 20, 25, 30, 35 and 40 mm. What sets us apart from most of our competitors is that, in addition to standard thicknesses, we also carry quarto plate in non-standard, in-between thicknesses such as 16, 18, 22, 28, 32, 36 mm and higher up. There are a number of big cutting companies in Europe which deal in quarto plate. If they store thicker materials, they typically carry 60, 70 and 80 mm. But we also offer 65 and 75 mm, for instance, which are materials that give



HW-INOX head office in Ratingen (near Düsseldorf)

top shop for quarto plates

the customer a big advantage if they are looking for that particular thickness. Imagine that you want to produce a machine which requires a plate 75 mm thick: in the past you had to buy a thicker product, which was more expensive as it required either some adjustments to the machine or grinding to reduce the thickness, which is both costly and time-consuming."

"The same applies to widths," adds Werner Huch. "Nearly twelve years ago we started with the maximum width of 2000 mm, which is very common. Then we decided to go to 2.5 metres and since last year we also stock three-metre plates. The width of three metres is quite challenging to handle when the length is six metres or more. However, when the demand is there, the risk for us is smaller and the investment quickly pays off, in the form of customer satisfaction, which is our primary concern. Using this as our guiding principle, we cover the entire quarto range, not only in standard and special thicknesses, but also in nearly all possible dimensions. We are very flexible. Everything the customer needs is standard size for us. When someone has special size requirements, we say: 'that's no problem, we can cut it to custom lengths and custom widths as well.' We need two days for this and this flexibility is very important for our customers as they don't have to buy a standard size with which they have a lot of scrap."



Members of the HW-INOX domestic and export sales teams



ing the total number of our employees from 25 to 40. This development has been accompanied by office space expansion. When my father started the company, he first rented the second floor of the building where our offices are located. Later we expanded to the third floor and since June 2016 also occupy the first floor. With this latest expansion we have obtained an additional 300 m² of office space, which provides us with room for further expansion of our sales department."

Prompt delivery

While most of their customers are European, HW-INOX also supplies quarto plate to clients in the Near and Middle East, Hong Kong, Singapore, Australia,

approximately 8,000 tons that we have in stock, a lot of which are specialties. Freight costs to the end user on the other side of the globe make us less competitive when it comes to standard products. But if a non-European client urgently needs a special product not immediately available from manufacturers, they are more than happy to pay a little extra for the added value we provide. A recent example perfectly illustrates this point. Having placed an order for 12-metre plates, a customer from Dubai told us: 'Normally we buy directly from a

Family-owned, independent business

Large stock and prompt delivery, however, are not the only factors that contribute to the successes of HW-INOX. Business independence arising from family ownership and supply agreements with multiple mills is equally important. Werner Huch elaborates on these advantages: "The fact that we are a family business allows us to have a long-term strategy, while at the same time remaining flexible and able to adapt. Each of us has his own responsibilities, but Thorsten and I work closely

together. And that is very important – when you rely only on one, you may not be able to get the material when the producer is overbooked or has technical problems. When one mill has problems we can order more tonnage from the other ones. We choose the best possibilities at every stage of the year or market situation, but we are reliable; the fact is that the mills with which we established a relationship in 2005 are still some of our main suppliers. We don't step from one to the other. Our customers know that and trust that we are able to deliver.

"Everything the customer needs is standard size for us."

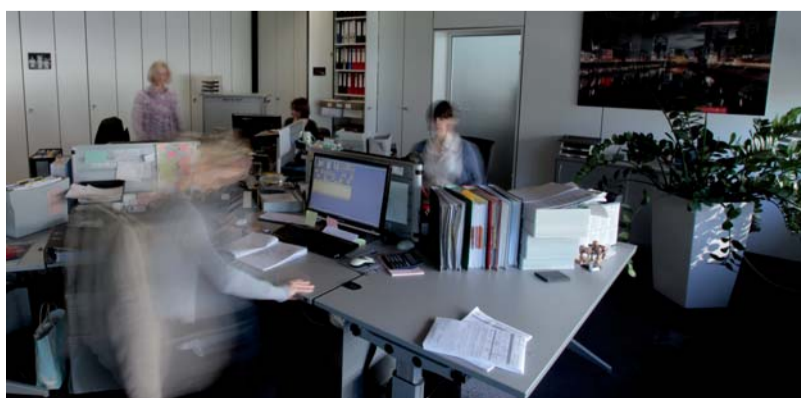
— Werner Huch

Growth and investment

To support the storage, handling and sales of their ever-growing stock, HW-INOX has recently made significant investments in its warehouse capacity, handling equipment and staff. Thorsten Huch explains the details: "In 2015, we expanded our warehouse by 1,600 m², devoting this newly acquired space entirely to 12-metre-long plates which represent about 10% of our entire stock. To handle this more easily and efficiently, we also invested in a new 16-tonne crane. This summer we added an additional 1,600 m² to our warehouse capacity, bringing its total size to 10,000 m². Other recent and future investments include a new vacuum machine for the handling of thinner material as well as one for 12-metre plates, and, finally, a new heavyweight forklift which will further improve and simplify our warehouse logistics."

"As our business continues to grow, we need more staff to keep this trend going and provide our customers with the service they deserve," continues Thorsten Huch. "In the past few years our highly professional and dedicated sales team has considerably increased, bring-

ing the total number of our employees from 25 to 40. This development has been accompanied by office space expansion. When my father started the company, he first rented the second floor of the building where our offices are located. Later we expanded to the third floor and since June 2016 also occupy the first floor. With this latest expansion we have obtained an additional 300 m² of office space, which provides us with room for further expansion of our sales department."



Order processing department



12-metre-long quarto plates in the company's warehouse

mill, but we would have to wait six weeks, which we can't this time, so we will buy the product directly from you.' It is therefore essential for us to be very fast, have all the materials always in stock and process orders within 24 hours. As our customers realise that they can always rely on us, they feel more and more comfortable about placing their orders last-minute, which makes their purchase decisions less stressful and more cost-efficient as they buy exactly what they need."

together, discussing plans and making decisions as a team.

Being a small company also means that we don't have to tell the world what we made in each quarter. We always try to make the best of the situation, even in difficult times. As an example, last year was one of the worst for us, because of the fall in nickel prices – a tough scenario for stockholders. But at the end of the year we had a positive result; it was not a huge profit, but it was a profit nevertheless, and we were happy with it. But on the stock exchange it would not be easy to explain: 'we had a profit, but that was less than the year before.' Luckily, we don't live under such pressure.

Also very important is that we are independent and this is a great advantage for our customers as independence makes us flexible in buying material. We are in close contact with seven to eight mill suppliers, so every month we are able to decide what tonnage we buy from which company. We are not dependent on one manufac-



HW-INOX can cut quarto plate to custom dimensions in-house.

Finally, sometimes we hear from market participants that we sell at dumping prices, which is an interesting remark. We don't do dumping, otherwise we would make losses. Rather, what this shows is how leanly we operate, how professionally our team works."

Final words

When asked whether there is anything that he would have done differently if he could, Werner Huch replies with a smiling face: "In the last 12 years we have formed a fantastic professional and highly motivated team. Never before in my career did I work with a better team than I do now – and I am more than 40 years in the business. Therefore, I would not change anything, I am very happy. Today, this business is like a hobby for me, but not for him (pointing at Thorsten, laughingly)." Thorsten, also laughingly, replies: "You are absolutely right! For me it is a big challenge, but I can't think of a more fulfilling one."