A new CEO for KCI: Thijs Elshof, a continuation of a visionary pathway
“In our twenty-five year history, KCI has been through a lot of phases”, Thijs begins. At the very beginning KCI produced just one title, in Dutch, targeted at a very limited audience. The last twenty-five years, however, has seen this change dramatically, and today our print and/or online publication titles include not only Dutch, but also English, Chinese (Mandarin), German, French, Spanish, and Portuguese languages. Similarly, the number of staff working within the organization and offices has multiplied. A further, major, change has been in the types of media used where one magazine has developed over the years into a vast variety of printed and online publications, websites, newsletters, conferences and exhibitions, trainings, apps, and so very much more. "The simple magazine maker has emerged from its cocoon to become a fully-fledged international multimedia concern that thrives on collaboration and partnerships as with such leading organizations as the Messe Düsseldorf and the Materials Technology Institute. We have, through our talents, opened up to the possibilities and challenges offered by the marketplace to our advantage."

Doing business
“The way in which we do business has also changed. Twenty-five years ago, the focus of most publishing houses was inward looking. They produced publications and dictated the information that was available to customers and the ways in which this was distributed. Certainly, we were no exception to this way of thinking then. However, nowadays, in a world where the supply of information is limitless, the key to our success lies in providing additional quality to the information and services that we offer to our clients – effectively in tailor-making our products to the client’s own needs. Not without reason, therefore, have we established regional offices – in Germany, Canada, China, and Brazil in addition to the founding office now located in Zutphen in The Netherlands. We have done this in order to be closer to our clients, end users and the marketplace. If we want to do business in China, then of course we can fly people from Amsterdam there but, to be effective, we need to have local people in position to not only handle the local markets but also to understand the local language, culture, and mentality."

“As a company we also have multi-national staff. This means that even in countries where we do not have a permanent presence we have staff in-house in our various offices who can talk to clients in their own native language, for example in Japanese, Spanish, Italian, Russian, Croatian, and French for, in short, the media now available have changed and so have the ways we approach our clients. We have progressed tremendously as a company.”

Choices preference is king
With regard to media advancement, Thijs explains: “Today people want choices and to have control over what media channels they use, each having their own preference(s). One person might like to sit on the couch with an iPad or communicate through conference calling whilst another would rather shake hands at trade shows.”
Our job as a broker of knowledge and information is to offer our clients different ways of communication to suit their needs, not for ourselves, but for the good of the industry. If they want an app, we will make an app; if they want to come to trade shows twice a year we will hold the two trade shows. Choice preference is king.

When I started at KCI thirteen years ago, people told me that printed media was at the end of its life span because of the rise of Internet. Despite this, we still have a very strong position with magazines and newspapers because so many people still like them. They enjoy having a magazine in full color right on their desk. This does not dispute the fact that the growth of online media, including social media such as Twitter, Facebook, etc., has become a crucial tool to us as a publisher. Both reside in parallel. Take LinkedIn, for example, where we have opened various communication groups. Currently there are around 8,800 members of our LinkedIn Stainless Steel World group and 11700 members of our Valve World group whereas ten years ago it would have been very hard to connect people together so easily.

Our multi-media channels work very well for us, as demonstrated by the fact that many of our advertising clients don’t choose one single medium to profile themselves. They choose several: maybe advertising in print plus online banners or by sponsorship and a stand at an exhibition. They may also want us to help them: to tweet press releases or publicize their information on Facebook. Our job is to listen and translate their communication needs so that they obtain the best possible media coverage for their products, and work.

“The days when an editor simply wrote text for a hardcopy publication are long gone. Nowadays we can disseminate company news immediately via tweets that we pick up and deal with, and then pass them on to our followers. However, passing on information is also possible through Facebook, LinkedIn, or standard publications – whatever the client prefers. Online media has accelerated everything, not just through advanced technology, but through its wider use. The right content can attract huge audiences in just a short time span. And to make sure the client knows what is best from the vast multitude of media options we can provide sound and concrete business advice to ensure they get the best results.”

**KCI’s uniqueness as a company**

So what makes KCI unique? Thijs: “Firstly, we have empowered our people. This means that we do not have a top-down structure to instruct people to do this or that. They can make decisions, together with a client, within the scope of KCI philosophy. This is very important. Secondly, and just as significant, is the fact that we are ‘close’ to our clients. We invest a lot of money in meeting them regularly so that we get to know them well and understand their needs and concerns, the markets they are working in, and what help they need to find new clients.”

“We also hire people with whom our clients can have fun. We are naturally an enterprise that needs to make money, but we have always been keen to include the fun factor into doing business. We find it essential that our clients feel completely at home with us and can trust us, whatever the occasion. Clients like this. They have, moreover, enough stoic suppliers to deal with, so injecting a little fun adds to the business experience. This is also very different from other publishing companies who use call centers to reach their clients.”

In practice, our work ethics mean that work and sociability in our networking circles may often overlap with our team being just as much at home discussing long-term business plans in a formal meeting as attending a client party to launch a new product or initiative, or alternatively visiting a client who is sick...
or injured. Our team takes a genuine interest in those with whom they work. They are “people” people and as such their days are far from the routine and laborious nine-to-five.”

“As previously stated KCI also collaborates with a number of renowned partners such as Messe Düsseldorf and the Materials Technology Institute, and together with these organizations, we have gained, and continue to gain, a better understanding of the market, which we translate into publishing products. Our concept is to prefer long-term relationships with clients, which bring greater value to them and to us since we can best work together to achieve our mutual goals.”

“Continuity, solidarity, authenticity, communicability, creativity and fair play are some of the core values at KCI. It’s very important to maintain client contact by account managers who will not change their mood every month and, who are interested in what they do.

Clients don’t have to deal with fake sales people who come to push a product, and this hasn’t gone unnoticed by them. These values are found at all levels. From the owners who have been with the company for the whole twenty-five years, to the shareholders through to the sales and sales support teams and editors – all are in touch with clients. All these things contribute to the success of KCI.”

Where is KCI heading in the coming years?
“We are a very stable organization. Over the years we have seen continued steady growth year after year, even during periods of economic recession. We will soon have five offices worldwide with around seventy people in action. Our goal, however, is not to be big, but to be good at what we do and to be solid. Our success is based on the people who make up our team – knowledgeable, intelligent, service-orientated, and inquisitive staff who can connect with clients is an area we will continue to invest in. We would rather do it smart than try to be the biggest. We play it smart with smart products and smart people.”

“We see a rapid acceleration and big changes in everything online, from social media, to the way websites are designed and the way information is disseminated through online channels. This is something we are constantly working on to create products and developing ourselves. At the same time, however, we want to maintain the traditional ways of communication that are still so popular and near to our core like visiting trade shows where people like to meet up in the business arena.”

“Our plan for the future is to expand into new areas, new markets and new geographical areas. I already mentioned a plan to open an office in Brazil to benefit from the Latin American market. We also plan to delve into the topic of Managing Aging Plants, especially in the global chemical industry and this will be followed by a premier event in the Messe Congress Center in Düsseldorf, Germany, 3-4 March, 2015.”

“The most important thing for us is to diversify and to create an even more stable environment, whilst maintaining quality on existing products, and coming up with fresh ideas too. We know our current market very well, but can we equally diversify into new market areas?”

What makes our CEO tick in business?
“I like new business, I am excited about what the future holds and I am looking forward to the new things we can work on alongside our current brands. I further want to maintain KCI’s strong position in the media marketplace. And most of all, I want a stable company to continue to service our customers with added value information and networks.

About Thijs Elshof
Thijs Elshof, 37, has been with KCI for thirteen years. He started as an online media representative and later became a manager, travelling extensively to the US and Japan to visit clients and trade shows. When a manager was needed to look after the company’s US business Thijs stepped in, and so began a new chapter in his KCI career. In 2009 he set up the KCI Toronto office, which now has a staff of ten people. He became a shareholder in KCI in 2010 together with Robert-Jan à Campo and Ladan Pournour and, in September 2013, was promoted to CEO of the KCI Group. He lives with his partner, Marlous in Zutphen, not far from the office and enjoys long distance running in his spare time.
Sitting down to talk with the Steel Dynamics team there’s a sense of excitement in the air – a feeling that something big has just happened. It turns out they’ve just ordered one of the UK’s first Bystronic 6Kw Fiber laser’s literally minutes before – there hasn’t even been time to tell the staff yet! As the conversation progresses it soon becomes apparent why this steel stockholder and processor claims to be ‘dynamically different’, given the level of technology, expertise and commitment it delivers. Stainless Steel World spoke to three members of the Steel Dynamics team: Managing Director Ian Griffiths, Commercial Director Daniel McKinley, and Sales Director Robert Pattenden to hear how this British company is setting the benchmark for excellence and service in the global market.

By Joanne McIntyre

Steel Dynamics are one of the leading steel stockholders and processors in the UK whose mission is to re-define service through superior technology, cost and culture. “Essentially we’re different because of the level of service we offer our customers,” explains Mr. Griffiths. “By technology we mean the state-of-the-art equipment that we use to cut steel, cost includes internal systems such as MRP that drive our efficiency, and culture is our ability to complete a job faster than anybody else.”

“The technology we have in-house allows us to accurately predict how long a job will take, providing cost savings for our customers,” continues Mr. Griffiths. “We have invested in Laser, Waterjet, Hi-Definition Plasma...”
and Plasma cutting technology from the leading manufacturers Bystronic and ESAB. From the outset we’ve used industry-leading CAD software to plan out the individual component parts to cut in the most efficient manner possible, and we pass on material savings directly to our customers. Furthermore, all of our material is purchased direct at very competitive prices from leading European Mills. Our OTIF (On Time In Full) delivery achievement is 98%, demonstrating that we are extremely efficient and dedicated to not letting our customers down.”

**Major investment just announced**

Now what about that new laser cutter which had just been ordered? Mr. Pattenden was keen to talk about this exciting investment. “We operate in a competitive market where profit margins are tight, which is why we’ve invested in the most modern steel processing equipment. This latest purchase is one of the UK’s first, state-of-the-art Bystronic 6kw fiber laser with automatic loading, off-loading and material storage system. We expect to run this asset around the clock as soon as it’s installed, as 24 hour operations allow us to reduce our fixed costs per part, which in turn translates to more savings for our customers. This is a GBP 750,000 investment, and it will be in service by September this year, by which time we will have recruited extra CAD operators and packers to cope with the increased production.”

The automatic loading of plate and offloading of finished products when using the Bystronic laser will also help to minimize costs; while the added efficiency the machine brings means Precision Water Jet cutting technology produces parts which require no further machining and are free from HAZ (heat affected Zone) translating into time and cost savings. (Pictured here Super Duplex UNS32750 65mm thick).
it will be possible to do the same job in approximately half the time for thicknesses 6mm and under, allowing Steel Dynamics to significantly increase workflow in the business. The extreme precision of the laser also means that once pieces are cut they require no further finishing which translates to time savings.

The company has an ongoing investment program in infrastructure, such as plate storage solutions and ERP. “In our drive to be as efficient as possible we have a ‘one pick policy’ for our plate; all materials to be processed on any of the cutting machines are just one pick away. It was a significant investment but it’s maximises efficiency with more time spent cutting and processing the materials, and less time moving material around.”

“Investing in an ERP system means the minimum amount of human input is required to produce parts, translating into further cost savings for the customer,” continues Mr. Pattenden. “We benchmark ourselves against our peers and believe we have the lowest cost platform per tonne delivered in the UK. Our investment in ERP allows us quickly to react to customers urgent requirements and even change nests that are physically being cut on one of our machines, in real time! Quite simply we define our business culture as ‘we stay until the job is done, every time’.”

**Extensive stock**

“The length and breadth of our stock creates a one stop shop for our customers, with stocks ranging from 0.5 mm to 150 millimeters thick,” explains Mr. McKinley. “Combining our extensive stocks of 304, 316, 31803, 32750, 32760 and 6Mo steels with the best cutting machines and the most varied types of cutting technology means we have the maximum capacity and best machinery in the UK market.” Steel Dynamics is ISO 9001-2008 certified and all of the material the company uses is sourced within Europe. “We simply don’t accept any material from outside of Europe because that’s what our customers want. We buy from the world’s leading mills such as Outokumpu, Bohler, Aperam, Acerinox, Acroni, Industeel ... so the steel is as good as it’s ever going to get.”

**Wide range of industries**

The precision cut-components the company produces are used in an enormous range of industries ranging from oil and gas to petrochemicals, nuclear to pharmaceutical, architectural to food & beverage processing. “Essentially wherever you need precision profiles you can find our parts,” continues Mr. Griffiths. “We export to North and South America, Asia, the middle east and of course all of our EU Partners. Some of the high grade materials that we carry are not commercially available all the time, and the materials we most commonly export duplex, super duplex and 6 Mo grades.

While the company supplies to a huge range of industries, the main applications are oil & gas, nuclear, fabrication and food processing. “The oil and gas industry tends to consume the higher quality grades of material that we stock, such as duplex, super duplex and 6 Mo.”

“At the moment we are working with a fabricator to supply all the stainless steel for a very, large new plant for Nestlé. Last year one of our largest projects involved working closely with the fabricator that was constructing a very prestigious office building in London. This required a large number of bespoke structural stainless steel beams, and we supplied all the materials to them.”

**Fast track service for urgent jobs**

“Last month we cut a part within an hour of receiving an urgent call from a customer, drove it to Aberdeen and within 8 hours of the call the part was on a helicopter to an oil rig in the North Sea. When our customers need us we don’t let them down.” – Robert Pattenden

Mr. Griffiths explains that an average day involves producing over 1500 cut parts to be shipped to 30 different customers. “Yes we sell steel, but in reality we sell service. Our average lead time is 3 days and we are 98%+ on time. Significant investments in inventory and a very flexible supply chain allow us to react to spikes in demand. Our fast track service comes with a very unique promise: on time or free. If we don’t do what we say we don’t charge for the parts. You have to be very focused on service to offer this and we believe we’re unique in Europe in this regard.” “Achieving 98% takes a lot of work to obtain and maintain and it’s massively important because it demonstrates our commitment. We get a lot of business on
the strength that most suppliers quote four days but actually deliver in eight. We would rather turn down an order than disappoint a customer. It’s all about service, about repeat business, and about customers trusting that we will do what we say.”

“As we’ve grown quickly, every time we feel that we are approaching our maximum capacity we invest to stay ahead, and the new laser machine is a great example of that philosophy. A lot of our business is in the North Sea offshore industry. If an oil rig shuts down it costs GBP 100,000 an hour so people rely on us to deliver quickly and to do what we say we will.”

The Steel Dynamics team has many years of experience in the industry behind them.

Indeed the team has 200 years of experience in sales, 200 years in operations, and over 50 years of experience in purchasing between them!”

Mr. McKinley and Mr. Pattenden were the original founders of the company and have each been in the industry well over 20 years. “We know what we’re doing and have built up an extremely loyal customer base over the years,” says Mr. Pattenden.

Mr. Griffiths added: “We will continue to grow organically and while we have plenty of capacity at our current location, we are always looking for opportunities and should the right acquisition opportunity came along we are ready and able to move quickly.”

Steel Dynamics’ values

- Leadership: We will lead from behind and put others in front. To be the best in the eyes of our customers.
- People: Be a great place to work where people are inspired to be the best they can be. Build value and awareness of our brand and act like owners who are accountable for their actions and inactions.
- Focus: Get out into the market and listen, observe, accurately collate data and learn. Be incredibly curious and never assume. Understand client’s aspirations and challenges.
- Relationships: Create and nurture a winning network of customers and suppliers, to build mutual, lasting value.
- Quality: Supply the very best processed steel, every order, every time. Everything we do, we do to the highest standard.
- Culture: Committed in heart and mind, we never put off what can be done today and treat others as we wish to be treated ourselves.
- Environment: Reuse, reduce and recycle where possible.
- Health & Safety: Consult, provide and ensure a safe and healthy working environment for everyone.