

## Service is Central to Our Value Proposition: IPCO India



*IPCO is owned by FAM AB, a part of the Wallenberg Group. The history of the company dates back to 120 years with local service capability today in more than 30 countries and annual sales in excess of €200 million. Customers can count on the management of IPCO group for stability, reliability and effective performance of products with timely service support and assistance when needed.*

*In conversation with **Ulrich Nanz, Sales Manager Sulphur & Chemicals, IPCO** we decode the company's growth philosophy, strategies in place to realise the Make in India vision, the impact of Covid-19 on both Indian and global businesses, post-pandemic recovery plan, the challenges and opportunities that lie ahead for IPCO in India in the not-so-distant future.*

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**Ulrich Nanz**  
Sales Manager Sulphur &  
Chemicals, IPCO

**Can you tell us how has the pandemic impacted IPCO, both in India and globally? How has the company managed to serve customers during the times of lockdown?**

Engineering Procurement Construction (EPC) customers account for the majority of our refinery projects. While Covid had some impact here, it was generally limited to technical meetings and commercial negotiations having to take place online, something we've all got used to. Other than that, EPCs have to respect delivery times for orders already placed with them, so work has to carry on by following WHO guidelines and adhering to local restrictions.

For contracts where we were in direct contact with the end-customers, it was more difficult. We did see a number of projects either delayed or cancelled. This was the case across the board for both refinery and non-refinery projects, in India and elsewhere.

In terms of maintaining support, IPCO has the major advantage of being a company with a global footprint. We have local service capability in more than 30 countries. So, even when international travel was not possible, our locally-based colleagues have been able to provide relevant expertise.

And of course we have embraced new ways of working in the form of Zoom or MS Teams meetings. We've been able to offer video streaming of system trials

from our productivity centre in Fellbach, Germany to our customers.

**How do you see the post-pandemic recovery and demand for your company's products in India and globally?**

A major impact of the pandemic has been to create doubt and uncertainty and this applies as much to businesses as it does to individuals. People therefore want to make the decisions of minimal risk and, we believe we are in a good position to support them.

We are a well introduced mid-size company, and as an independent member within the Wallenberg Group, we have very solid owners. This sense of stability and reliability has always been one of our strengths. Our heritage stretches back 120 years and customers can trust us to be here in the future.

Looking at the situation in India in particular, we have been a trusted supplier to more than half of India's refineries for decades, and this has created strong partnerships with our customers. Beyond this, I go back to our on-the-ground support. Unlike our competitors who are limited by international travel restrictions, our Indian service team – currently eight strong – can meet all requirements for service support and spare parts.

**How important is India in terms of IPCO's global operation?**

India is one of the world's fastest growing economies and represents an important



market for every global business. For us, the importance of the Indian market is comparable with those of America and China, mainly due to the refinery sector and demand for solidification and handling solutions for sulphur, asphaltenes and paraffin wax.

We have built long-term relationships with our customers and invested in the infrastructure necessary to support them. This means that service personnel are available to provide on-site support at short notice.

The IPCO India team is made up of 15 people, more than half of them work in the service department. Their high levels of training, skills and knowledge of English means they can also make a valuable contribution to business operations beyond India's boundaries.

#### **What kind of growth do you anticipate over the next 4-5 years for IPCO?**

Short term projections are extremely difficult due to the unknown course of the coronavirus, but we know for sure that there will be interesting projects in the refinery sector in the coming years. There are a number of driving factors including ever stricter global environmental legislation and accelerating market demand for refined products with reduced sulphur content.

For instance, bunker fuel is no longer allowed as a fuel for ships, but solid fuel is permitted in power plants with the

appropriate filter technology. Refineries are therefore looking towards Residue Upgrading Technologies – the production of solid energy material from refinery residue such as SDA pitch – to produce more value-added refined products with optimized investment.

So would you say that changing markets bring in new opportunities?

Yes, this is definitely the case. Challenges and opportunities are two sides of the same coin. As I just mentioned, changes in the market are focusing attention on bottom of the barrel products such as asphaltene and SDA pitch, and driving demand for relevant solidification and film casting solutions.

The need to handle ever greater volumes of sulphur extracted as a by-product of refinery processes has led to the development of our new SG drum granulator ranges, with capacities up to 2000 tpd. We've recently installed our first system in Europe and are confident that others will follow.

Beyond these traditional markets, we see further opportunities for our granulation processes in GMP (Good Manufacturing Practice) applications requiring high standards of hygiene, particularly chemicals used in cosmetic products such as sun tan lotion, shampoo and epilating wax.

Another important market for us is film casting, where our systems are used to

produce membrane technology used in filters for liquids and gases – a niche in which we are already the world market leader.

### **What have been the biggest challenges for IPCO in India?**

We are exceptionally proud of the work undertaken by the team at IPCO India but it is a relatively small team when you consider the scale of the orders handled here. We therefore need reliable external partners too, i.e. local sub suppliers, with whom we can work on a regular basis.

Another challenge is that many customers want to do business with us in local currency. Since we have close collaboration with locally-based manufacturers and suppliers, at least part of the order amount can be invoiced in local currency. This is an attractive differentiation as far as some customers are concerned and one that gives us a competitive edge over other suppliers in the business.

Tell us about the overall value proposition of your organization.

I think our key message to customers is that by choosing IPCO they get German engineering, western quality equipment, and local service. I know I keep mentioning service but this is central to our value proposition. We don't just install a machine on a customer's site and say goodbye; we offer support throughout the lifespan of the equipment,

covering everything from easy access to spare parts and upgrades, to inspection and preventative maintenance and the reassurance of a rapid, locally-based response to any urgent requests for support. The strong service presence we have in India underpins everything else.

### **As a multinational corporation, how is IPCO enabling realization of the vision of Make in India?**

Indian companies provide both complex and simple solutions and we make full use of both.

In terms of complex solutions, locally-based companies have competencies in areas such as control systems and software that put them ahead of the Western companies. They have a much greater understanding of the control philosophy of Indian refineries than we have, so it makes absolute sense to order these locally in India.

If we then look at what might be termed as simple solutions, large steel parts such as silos and silo platforms, we can be confident of receiving good quality, well-engineered equipment at a reasonable cost from local manufacturers. So again, these orders will frequently be placed in India in support of the 'Make in India' nation-building project. ■