

Tycon

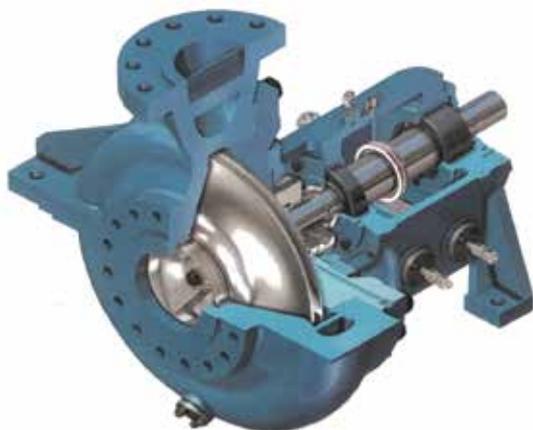
Specific Market Positioning

Tycon Alloy Industries has positioned itself on the front line of the industrial field by exploring new spheres and developing new products. Instead of simply selling pump and valve products, Tycon is keen to provide value-adding services for its customers. By strategically setting up its new plant in Zhongshan, the company has updated its values to insure "safety, personnel care, process rebuilding, continuous improvement and energy saving." Tycon's goal is to better serve its staff, its clients, and the industry.

Pump Engineer had the pleasure of visiting Tycon Alloy Industries (Hong Kong) Co., Ltd., to speak with Alan Tsang, Sales Manager, about Tycon's commitment to being "a leading supplier of stainless steel and duplex steel castings for the pump and valve industry."

By Laura Wang

Alan Tsang joined Tycon Alloy in 2006 and has been overseeing the Europe market for over a decade. He was recently promoted from a business development role to a team management position and is now responsible for coordinating the sales teams, planning daily operations and is also involved in the establishment of corporate development strategies. "The market has changed a lot since I started at Tycon," said Alan. "There were not as many foundries, and the competition was not as intense as it is now. Stainless steel was not very popular; many pumps and valves in the wastewater facilities were still made by cast iron. Today,



SCR Project.

use of stainless steels are rapidly increasing. It just goes to show you how much can change in a short time."

Quality is Essential

After exploring the pump market and gaining further insight, Tycon realized the importance of market positioning and committed to becoming a long-term developmental strategy manufacturer. To accomplish this strategy, the company devoted itself to upholding the principle that "quality is essential."

The company started a two-way selection model with clients based on no low-end competition. "In the beginning, many clients rejected us and bought low-end products in order to survive, even if it meant they only survived for a short time," explained Alan. "The competition territory changed a lot since our inception, and those who rejected us are now realizing that quality is the priority and have come back to do business with us."

Alloy:

Boosts Long Term Development



One of the principle reasons Tycon is sought after is for its commitment to its services. “We are not simply selling our products; we are selling our service advantages under the principle of ‘customer utmost’,” stated Alan. “I was keen on communicating with clients when I was working in sales; effective communication helped me realize the costumers’ needs and solve their problems. We can fulfill all their requirements on quality, dimension, and ensure all the details are taken care of. Basically, all of our finished products are made exactly to customers’ drawings and requirements.”

Improving Quality by Better Processes

Quality control is one of the critical links in business management. The fundamental element of quality control is process control, which covers all the root sources of product quality. In order to ensure that the highest levels of quality are achieved, Tycon has been taking steps to further educate the production team on process control

awareness, which can enhance cultivation of employees’ basic skills and their knowledge on quality awareness. Tycon is also continually improving its ability to have effective production material and production technology, including raw material management, production equipment management, production technology management, operation management and strict quality monitoring system.

Transformation Towards the Energy Industry

To tackle the fierce competition in today’s market, Tycon not only aims to improve product quality but also proactively makes predictions on the coming trends. “A few years ago, we analyzed what products were available in the market. After considering all of the industrial sectors, including: chemical, oil and gas, LNG, marine, nuclear power, food and pharmaceutical, a decision was made to target specific markets,” said Alan. “Our analysis indicated that the energy market had huge potential, especially in today’s gas and nuclear power market. So, our research team started to develop specific products for these two sectors.”

Chess in a Chinese Style

There is a common saying regarding chess games: the incompetent person will proceed without a plan; the ordinary person will take one step and look around for the next three steps; the wise man grasps the initiative of the whole game with every single step. The master player has full confidence of their success because they can set up the overall layout based on their predictions of the later steps. Tycon has been following the same practice during development and successfully secured a leading position in the market. More than that, the company also excels in the industry by giving quick response to customers’ needs, and by providing in-depth understanding on the ever-changing market.





Zhong Shan New Plant.

Unilateral analysis was not the only basis on which Tycon's predictions for new products were made. Alan explained, "Customers gradually became familiar with our products. They recognized our capability in both production and research and development, and they realized our cost-effective advantages." Before long, Tycon's customers began to request that the specific requirements they needed for their applications be met, which ultimately opened Tycon's eyes to a wider market.

Thus far, Tycon has excelled in the gas, LNG and nuclear power fields. The company's products are widely used in the oil and gas offshore production and processing markets, such as: offshore gas wellhead facilities, FPSO, LNG storage and re-gasification facilities, onshore gas process facilities and more.

When considering environmental protection and world energy supply, Tycon believes it is imperative for each foundry to transform from the traditional chemical industry to the energy industry. "In order to be environmentally friendly, the IMO (International Maritime Organization) requires the application of LNG, which can minimize the exhaust air pollution. Marine vessels are traditionally powered by diesel engine, and they emit highly-pollutional sulfur oxide," explained Alan. "Several years ago, the IMO stated that effective January 1st, 2020, the sulfur content limit of fuel used by vessels operating outside the designated emission

control area decreases from 3.50% m/m to 0.50% m/m (mass)." One of the solutions to achieve this criterion is to introduce purifiers, which contain water pumps.

When Tycon first heard about the IMO requirement, the company believed that such a requirement matched the inevitable trend of pollution control. "Some of our industry peers were hesitating but we developed a new product to meet these requirements specifically, during that time period," Alan continued. "Due to many uncertainties, we did not receive too many orders in the beginning, but more orders started to come in when the policy became official. We started development very early and our product has proven to be effective and sophisticated, by long-term, real-world testing."

Promoting Environmentally Friendly Foundries

The environmental issue associated with foundries has always been a hot social topic. As many end users believe it to be a key factor to consider when choosing product suppliers, Tycon has always put thought and care into this issue. The company has been following European standards during the construction of the new plant in Zhongshan, as it believes that environmental requirements will surely become more and more strict in the future. To prepare for this, the company adopted—without any hesitation—the most stringent standard for self-discipline.

The Tycon plant features environmental care and energy savings in its design and has adopted lots of equipment characterized by energy saving and emission reduction. Tycon has also invested many resources on energy savings and emission reductions to tackle key issues including dust, ventilation, waste water treatment, waste recycling, and more.

Forging Comprehensive Capability and Serving Global Markets

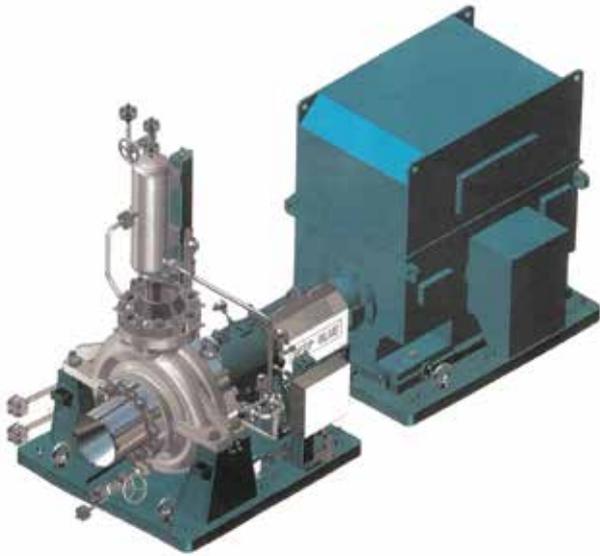
In order to better satisfy the diversified needs of customers all around the globe, Tycon invested many



Containment building heat removal pump of Hualong One Reactor- Nuclear.

Impeller for nuclear class 2 pump of Hualong One Reactor.

Impeller for Hualong One Reactor.



resources and obtained various certificates recognized worldwide. Each qualification is based on full range tracing, monitoring and supervision by users. The whole process, from raw material through to the final step, is qualified; the production standard is guaranteed.

Tycon has been building up its comprehensive service capability for many years by serving various markets with differing needs. Its current territory covers most of the major markets in the world, such as USA, Europe, Japan and China. In the future, the company is planning to study the South Korean markets as well. "The European market is characterized by the slow and steady method," Alan explained. "Many customers in Europe have years of business relationships with us. Their orders are mainly for projects that are not as large as ones you would find in the USA. Our strategy for this market is to focus on service. The delivery time and quality should never be compromised, in any way, because those are the most critical issues. By contrast, the American market features strong demand for inventory. Having stock on hand and ready to go is of utmost importance. The Chinese market is relatively complicated because the price-quality balance has not yet been achieved. That particular market requires that we not only have quality advantage but also a better cost performance. When you look at the Japanese market, quality criteria are extremely stringent. Long-term business cooperation is expected with guaranteed quality." Thanks to years of exercising and tempering in markets with diversified features, Tycon has accumulated comprehensive experience and effective solutions. By satisfying the various needs of its customers, the company is building trust with more customers.

Tycon is committed to being a leading supplier of stainless steel and special material castings for the pump and valve industries. "The title of 'leader' should be judged by the customers rather than industrial peers. Our vision can be considered 'accomplished' if most of our customers recognize our products and service," said Alan, matter-of-factly.

"People utmost" is the primary creed of Tycon. Since the commencement of the construction on the new plant, "safety and personnel care" has always been on the top of priority list with a wide range of influence covering each element in detail.

Building a Future Plant

Everyone at Tycon is proud and excited for the new plant in Zhongshan. "Our new plant is located on an island with beautiful scenery. The newly built Shen Zhong Bridge links up the new plant and the Shen Zhen airport directly, so it takes just half an hour to drive there! It is now in the commissioning stage and will go into production in 2020 with an expected capacity of over 10,000-ton per year," explained Alan.

The design and arrangement of the new Zhongshan plant introduced many state-of-the-art technologies and ideas. In Alan's opinion, the most remarkable idea is "digitalized management." This is the most significant improvement between the old and new plants.

As required by digitalized management, a collection of data from each piece of equipment and facility will be in place. These channels include automatic equipment, key monitoring points, personnel activity observation devices and various other management systems. This data is accurate and covers all the aspects of plant operation: production facility status, equipment replacement, maintenance, shutdown, production progress, operation efficiency, process parameter, and electrical performance. It can be used as the foundation for any subsequent scheduling, control and analysis. From standard establishment to production equipment application, key process parameters are being monitored because they are directly related to the product quality.

Continuous Improvement

Although Tycon already has an orderly business flow in place, the new plant in Zhongshan will further eliminate and simplify non-value adding steps in the process. The new plant will also improve the efficiency of production and service, as well as quality control and monitoring capabilities. Tycon's simplification has four advantages: better efficiency of product distribution link; reduced cost—ineffective budget eliminated; reduced defective/rejection rate based on reduced inefficient/low efficiency links; reduced ineffective rate and complexity of business flow. More authorization will be granted to the staff and they will be able to make some decisions within their respective scope of responsibility. Tycon hopes this will boost the employees' enthusiasm and energy and increase their job satisfaction.

<http://www.tyconalloy.com>

