

everyday

OUR STORIES OF STRENGTH

JULY 2011

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“This makeover is much more than skin-deep – we have fundamentally changed the way we operate.”

Welcome



I'm both pleased and proud to welcome you to the first edition of **Everyday**, our customer newsletter. The arrival of this newsletter into your

mail tray is timed to correspond with the roll-out of a new-look Steel & Tube throughout the country.

What you see here represents 18 months of hard work on behalf of the S&T team, and I'm happy to be able to introduce our new brand to you. But this corporate makeover is much more than skin-deep – we have fundamentally changed the way we operate so we can be more competitive and, most importantly, perform better for our customers.

In the past, S&T operated as a series of related but independent businesses with very little interaction across our product categories. It was a model that worked very well for us in the past, especially because it allowed for the various business units to foster valuable specialist knowledge about their particular products.

However, we believe that the time has come to make the whole company more unified and customer-centric, whilst retaining that specialist expertise that we are renowned for.

In October last year, we introduced our change programme, and called it 'One Company'. Its singular focus is on how we can make things much easier and simpler for our customers. We want to do more than just sell our various products, we want to add value to your business by strengthening ours.

The One Company model has disestablished the separate product divisions and created sales areas with the objective of focusing our efforts on supplying and servicing the full range of product and service to our customers.

Much of this edition will cover the One Company change programme, and of course show you in greater detail how our vibrant new brand will look as it is rolled out around the country. Hopefully you have already noticed a more streamlined and consistent approach from our sales and support staff. We're pretty confident your accounts department has gratefully received the move to a single invoice from S&T.

As you can see, we've completely overhauled the look and feel of S&T – for the first time in decades, we have a new logo and a new brand that supports it. The way I see it, the new brand is a visual way of telling the world that we have changed as an organisation. It brings us into the 21st century and I think it looks fantastic.

Internally, we've been working on changing our culture as an organisation so that we can collectively add value to your experience as our customer. I'm really pleased with how the company has embraced the new model and I can sense a new enthusiasm in many people.

It's still early days, but these are exciting times for S&T and I'm looking forward to travelling the journey with you.

D W Taylor
Chief Executive Officer





One Company: One Future

Late last year, the One Company change programme began here at S&T. Here, we take a good look at what the One Company model means for our customers, and the impact it's had on our company in the six months since it began.

WHAT IS ONE COMPANY?

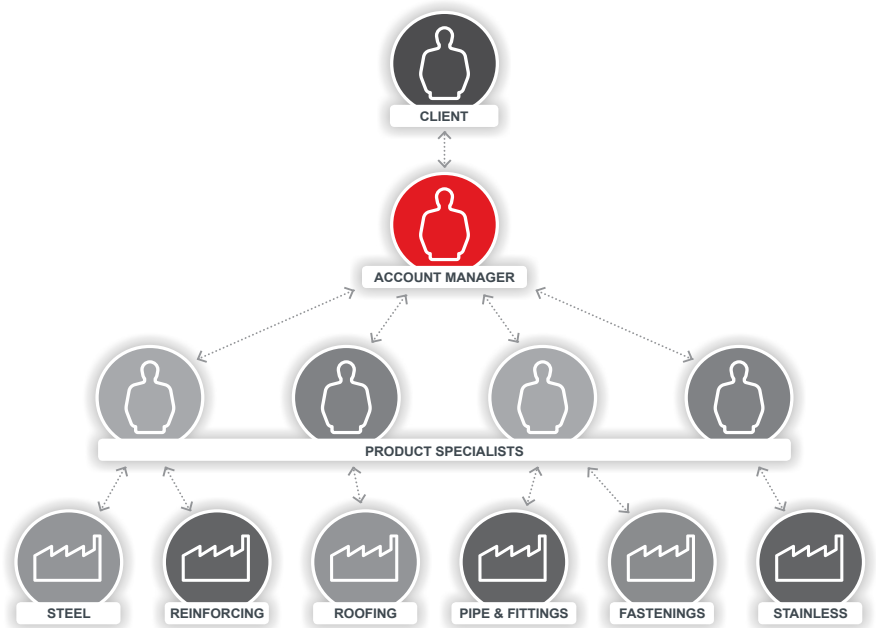
One Company is our new operating model. It aims to leverage our key strengths – our extensive product range and geographic reach – to make it easier for both existing and new customers to work with us.

By removing the traditional 'silo' structure of our organisation, where each division was run like a separate and independent business, One Company means we can work together to meet our customers' needs in a more comprehensive way. A stainless customer may well have requirements for carbon steel, and a project requiring reinforcing is probably likely to need several other products such as structural, purlins, roof cladding, etc.

The One Company model brings all our product categories under one umbrella in each of the regions in which we operate. It means that now, when you meet with one of our Account Managers, or you drop into one of our sites, you're able to access the whole of S&T.

We have introduced the Group Product Managers to ensure we don't lose that critical specialist knowledge – in fact, we expect that this will enhance our expertise and make it more accessible to our customers, regardless of where you are in New Zealand.

What it means for the customer is simplicity. You'll have one Account Manager, one account and a single point of contact to every S&T product, service and technical support – nationwide.



With One Company, S&T will be able to service your business more efficiently, and importantly, identify and develop opportunities to help grow your business through the introduction of new products and services from the S&T range.

With this integrated and innovative approach we can truly demonstrate our strength, diversity and customer focus. We aim to make it easier for your team to do business with us and to meet all your requirements and expectations. Our greater flexibility will mean seamless and consistent service.

THE ONE COMPANY AREAS MODEL – HOW'S IT REALLY WORKING?

It's one thing to dictate a change in our operating model from head office and then expect the relationship between S&T and our customers to just change, it's another thing entirely to make sure that's what happens.

What's it really been like throughout the country? How much of a difference has One Company made to those at the front line?

We spoke to Martin Berry, S&T Area Manager for Hawke's Bay, and Cameron Murray, S&T Area Manager in the Waikato, to get their perspective on the new-look company.

"We used to operate as a standalone steel distribution unit, focusing mainly on the supply of steel products, fastenings and a few other bits and pieces. Sales Reps from other divisions, like stainless, would come into the area independently and often we didn't even know they were there," explains Martin.

"Now, we're responsible for selling the total company range – steel, piping, fastenings, chain and rigging, roofing sales – everything."

Martin believes the change has been a good thing. "I'm all for it. It's been bloody hard work, but probably some of the most rewarding work I've done in a long time. Our whole team has had to up-skill and get their heads around a lot more products, but we've built some great relationships with the product specialists, and many of our customers have said, 'Why didn't you do that years ago?'"

Cameron has had a similar experience. "This is the most I've enjoyed my job, and it's exciting to be part of something so significant. We're able to do a much better job for our customers, and we're noticing a definite increase in sales for things like carbon, which wasn't our area in the past," he says.

"And it's new income for S&T – take our customer, Stainless Design, for example. They used to get their carbon steel requirements from the competition, but now we're getting 100% of that work from them."



MEET THE TEAM: MANAGERS



Mark Winnard
General Manager
Auckland & Whangarei



Cameron Murray
Area Manager
Hamilton



Simon Cairns
Area Manager
Tauranga & Rotorua



Martin Berry
Area Manager
Napier & Gisborne



Glyn Warren
Area Manager
New Plymouth



Jim Hughes
Area Manager
Palmerston North



Craig McMahon
Area Manager
Wellington (Acting)



Derek Liddington
Area Manager
Nelson



David Allingham
Area Manager
Christchurch & Timaru



Blair Bezett
Area Manager
Dunedin & Invercargill

One Company from the top:

Dave Taylor's perspective



"When I looked at things when I started 18 months ago, on paper S&T was a good business – it's always been a good business. But it was ready for change, thanks to inefficiencies due to the independent nature of each of the divisions and a head office versus branch mentality.

When you add the global financial crisis into the mix, it was plain to see that significant change was required to create a great company out of S&T.

After talking to a lot of people from both S&T and our customers, it became clear that the One Company model was right for us. Eight months on from its introduction, there are already a lot of examples of how it's succeeding. I've been hugely encouraged by the positive feedback we're getting from our customers.

Not everything has changed dramatically, but I expect that everyone who works at S&T has changed the way they think about working with you as a customer. We want to create a structured and collaborative approach to our customers, regardless of what they purchase.

A great example of this is reinforcing. If all you've ever purchased from us is reinforcing, then it's time to take another look.

We're able to provide you with a unique opportunity to access the rest of our product range. Reinforcing might be needed at the beginning of a building project, but we're also able to provide the roofing and structural materials, piping systems and fastenings.

It's win-win. You have access to a wider range of product and can streamline your purchasing patterns to save you time and money, and we're able to add value to your project along the way.

There's a lot going on, but I'm excited when I see that spark, that passion with which many of our people have embraced the One Company model. Please feel free to contact me with any feedback you might have about our evolution as a business. There's no point in doing it if it's not making a positive impact on you as our customer."

Introducing our new brand

The secret is finally out! We are very pleased to be launching our new brand around New Zealand. We've changed the way we work fairly dramatically, which has seen an increase in energy and drive amongst our staff and our customers, and we reckon that's been captured nicely in the new look for S&T.

So, why rebrand? We didn't want to make a new logo just for the hell of it. The time was right – the best time to rebrand is when you've made a significant change in the way your organisation operates.

"Unless we change the physical environment – from the signage, to the invoices, to the uniforms – it's hard to demonstrate to our customers that we've made so many positive changes in the way we operate," explains Andy Millard, General Manager, Marketing. "And it helps us capture the new culture and energy that comes from the One Company model."

STRONGER IN EVERYWAY

Four directional arrows that converge onto the centre of the 't' represents strong outcomes from 'every way' or different parts of the organisation. This convergence positions S&T as one company, a cohesive unit with many different facets. The centre of the 't' or convergence point also represents the highlight or sheen when light reflects on steel.





Customer survey results: We're listening

It's all very well to refocus and restructure our company because we think it's what our customers will want, but there's no point doing anything unless we know what they want.

Which is why in March and April last year, more than 600 S&T customers from across eight business divisions around New Zealand were interviewed and asked about price, product, sales service, delivery and relationships.

Here's what we discovered:

- › Across the board, customer expectations were:
 - 16% exceeded
 - 38% fully met
 - 44% not fully met
 - 1% not met at all.
- › S&T still out-performed its competitors.
- › The main influence of a customer's expectations was 'relationships' (44%).
- › Our key strength and the one we perform best at is 'relationships'.
- › You told us you'd like to see us be more innovative, but our range and the fact that we deliver products that met expectations was highlighted as a strength.
- › In terms of in-person service, you told us we're great at providing answers and solutions when asked, but could do better by adding more value to our clients businesses.
- › Our delivery strength was rectifying delivery problems.
- › We demonstrate that nothing is 'too much trouble' and you told us this was a strength, but we're not always seen to be 'striving to improve our business'.

One Company in action: Building a giant Meccano set

Wellington-based heating and ventilation specialist, HotChilly have been talking temperature and fresh air since 1987. Formerly called CES (Controlled Environment Systems), HotChilly has a built a strong reputation within their industry and throughout New Zealand.

HotChilly's highly qualified and experienced team of around 65 staff carry out a wide variety of mechanical service installations ranging from multi-story building air conditioning systems, process cooling systems, through to installing heat pumps and ventilation systems in residential homes.

The mind boggles when you think about how much ducting, piping and fittings passes through HotChilly's doors each year, so it's not hard to see why they've had a long-standing relationship with S&T for many years.

Craig Gadsby, is the founder and managing director of HotChilly. He's been a S&T customer since he started the business, and is pleased to see the various divisions of S&T coming together to provide a more streamlined procurement process for his staff.

iCare

iCare: Because we care

iCare is our new Health and Safety programme at S&T. Safety underpins everything we're trying to achieve with the new One Company operating model and it's meant an increase in the focus on safety across our business.

Here in the Health and Safety team, the One Company changes are significant, which is a good thing for both our staff and our customers.

We've expanded our Health and Safety team significantly and it's important to understand is the positive impact our bigger team will make around the country at all the depots and stores you or your drivers visit.

This will mean that the management and staff at each site S&T operates will have a lot more support for Health and Safety projects and compliance. We'll be rolling up our sleeves and working hard alongside managers to make real improvements across the board.

I appreciate it seems a little strange to be talking about internal Health and Safety practices in an external customer newsletter, but we believe it's important that all our customers understand the increased importance we're placing on safety. But it makes sense: if our staff are safe, our customers are safe. Simple, but true.

Alan Downes
Manager, Health and Safety



“The relationship I have with S&T has been solid for many years. We use a wide range of their products – steel sheet is a major component in the ducting systems we manufacture and more recently, we’ve started to purchase piping systems like Aquatherm and Sikla as well. It’s been good to see S&T’s product lines expand significantly over the past few years,” explains Craig.

“From a customer relationship perspective, S&T has always been pretty responsive. They don’t always get it right, but when things go wrong, they’re able to set things straight quickly. Their afterhours service is superb.”

Craig and his team at HotChilly have been heavily involved in the new Willis Central development (incorporating Telecom Towers) in central Wellington. It’s due to be completed shortly and, thanks to the significant size of the project, HotChilly were only allowed a small window of opportunity to install the ducting control room before the building was closed in and they’d lose access for installing framing and piping.

“We were very constrained in terms of time, and we were looking for a product that would be fast and efficient to install. Generally, we pre-fabricate our supports to specifications, but S&T recommended Sikla’s Framo 80 box section, and it has made a real difference to us in terms of meeting our deadlines,” says Mike Renn, HotChilly’s Project Manager.

Sikla’s Framo 80, is a box section support system that is commonly used as a secondary structural support for ducting and piping. It’s commonly referred to as big boys Meccano as its self forming screwed connection eliminates the need to weld. The box section is finished with a hot dipped galvanised coating and is fully adjustable, giving you room for error. Its assembly does not require qualified staff, offering a reduction in labour costs; anyone can put this product together, these are just some of the benefits enjoyed.

“It’s a very robust product and it’s amazing to see how quick it actually is to install,” says Jared Cottle, National Specialist – Piping Supports (Sikla) at S&T. “Sikla offers a fantastic product range and we believe there’s real scope for use in commercial projects of all sizes, here in New Zealand. Sikla’s products are designed to dramatically reduced installation time of which has been invaluable on the Willis Central project.”

“S&T is pleased to have been able to work with HotChilly on this project, especially because it’s the first time HotChilly have used Sikla,” says Jared.

“This is a good example of how the new One Company model for S&T can benefit our customers – we had a strong relationship with them for the supply of steel sheet in the past, but now we are able to work with them across the business divisions to provide a more practical and convenient service.”





A lifelong relationship with Steel & Tube

Ferg Lister grew up with S&T. His father, Eric Lister, founded and ran sheep-crate manufacturer, Sutton Workshops, from Middlemarch, near Dunedin.

"I remember sheet metal, angle-line, turnline, RHS coming into the workshops in master bundles and getting turned into sheep crates. So I guess you could say I've known S&T all my life."

Ferg himself became a customer in the late 1970s when he was based in Hastings, manufacturing orchard equipment and operating a fitter and turner service.

He's operated a number of engineering businesses around New Zealand and Australia, and has remained a S&T customer all these years.

More recently, Ferg sold Aeon Engineering (which was a significant consumer of hollow bar from S&T), and began a new business manufacturing Parkwood pellet fires.

"I'm still a S&T customer, but I guess I'm small fry again at the moment, explains Ferg. "But it's good to see they still treat me the same – in fact, the service here in Christchurch has improved enormously over the last couple of years. They're a good bunch in there."

"We're still in the early stages of the business, so while we manufacture and sell a range of residential pellet fires, and I use a bunch of miscellaneous tubes, angles and roundbar in the making of those fires, I'm doing a lot of R&D and prototyping around new pellet-fired products for both commercial and residential use and it's great to have S&T on hand for the bits and pieces I need."

Ferg also used a significant amount of our reinforcing product when he undertook a large residential build at his home in Lyttleton. Built into the side of a steep hill, it's withstood everything the Christchurch earthquakes have thrown at it.

Over the years, Ferg's had accounts with many of the different S&T divisions, and he was often frustrated with having multiple accounts across the company.

"It was all a bit of a pain in the arse, if you'll excuse the expression. I had accounts with Stainless, Reinforcing, Plate Processing and Piping Systems. And if I wanted something from a different division, it was a major rigmarole getting things transferred, etc. The new single-account system is infinitely better," says Ferg.



Contact us

Please contact your Account Manager, local S&T office or email info@steelandtube.co.nz.

For specific locations and phone numbers, please visit our website.

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