

→ Interview with Dr. Axel Stepken



The inspection of systems requiring monitoring is to be privatized in two phases from 2006 onwards. These systems include lifts, pressurized containers, pressurized lines and large power station boilers. The market is to be opened for new systems to begin with, while old systems will follow suit two years later. TÜV SÜD CEO Dr. Axel Stepken explains the possible consequences to TÜV Journal.

DR. AXEL STEPKEN
Board member of TÜV SÜD

? Does TÜV SÜD fear it will lose its industrial customers from 2006 onwards?

! We are taking the situation very seriously and are adapting to the changes in market conditions – in particular through the customer-oriented expansion of our service range, which goes far beyond just testing technical systems. We have been supporting our industrial customers for almost 140 years, in other words ever since the company was founded, and since then we have been trying to be a partner that offers the greatest possible benefits. We will continue to pursue this goal even when the new rules of play apply.

? Won't the loss of your monopoly automatically mean a loss of market share?

! Without a doubt. However we aim to keep losses to a minimum. Nonetheless, this is a significant share of TÜV SÜD's turnover.

? What strategy do you intend to use to defend TÜV SÜD's market share?

! Branch-specific services that we shall develop continuously and that will enable us to offer our customers measurable advantages. We can relieve them of the work entailed in implementing guidelines and standards, enabling them to concentrate on their core activities. We can support their efforts to optimize processes and to make better use of their systems. »gAte« is a specific example of this, as is »TÜV-RoiM«. With our holistic system technology and our risk-oriented maintenance we contribute to a reduction in operating and maintenance costs, optimizing systems availability and proactively reducing risks.



? What does that mean in specific terms?

! In the old days we used to visit our customers every five years. In many cases the customer would have to shut down this systems for long periods to enable our engineers to test them in line with the legal requirements. These days we monitor technical systems throughout their operation. We continuously examine them for weaknesses and, if necessary, use planned maintenance phases to recommend components for repair or replacement, depending on their state. This enables us to reduce downtimes and costs. Our procedures have enabled millions to be saved on various reference systems.

? Is this true for all branches?

! In principle, yes. In other words, what is true for a power station also applies to an oil refinery. We can draw up an individual test concept for each plant that reflects the service and repair intervals insofar as possible. It takes account of the status of the system and the legal requirements, as well as the specific stocking of spare parts, a significant cost factor. It is not absolutely necessary to have a second pump in reserve for every single pump. Our experience enables us to forecast with a fair degree of precision when each pump will need to be replaced. In other words, we aim to enable a plant to be operated as smoothly and economically as possible without neglecting safety aspects. There is no doubt that there will be an interesting discussion in the future about whether the actual state of the systems or the legally prescribed intervals should determine the cycle of our tests. By the way, our innovations relate not only to industry and trade, but also to households. We can test liquid gas storage tanks using sound emissions, so that the tanks do not need to be opened. Oil tanks do not need to be emptied because we can use submersible robots for testing purposes. These are just two examples of many.

? Your competitors are already in the starting blocks. How do you intend to respond?

! As I said, we have prepared for the new situation in relation to competition – on all fronts. This relates to our cost structures, our quality assurance which aims at zero error tolerance, our service quality, our sales activities, our nationwide presence, our international network and our interdisciplinary services. We are capable not only of testing systems and optimizing their operation, but can also train staff or provide occupational medical support, or certify systems and products. We create added value through customer-specific solutions. There aren't many companies who can offer all this from a single source.

? What can TÜV SÜD do better than its new competitors?

! That will become evident with time. In addition to the issues I have already mentioned, we also place great emphasis on the value of our brand. Because of our high quality ideals, our brand enjoys a high profile in a market that our competitors still have to break into.

? What about the price? Competition often comes down to price.

! Of course price plays a role. That is why we always take a critical view of our cost structures. It must be worth the customer's while choosing us. And it certainly is worthwhile because we don't just offer testing, but actually show our customers how to save costs, increase productivity and sales and minimize risks. It pays to use TÜV SÜD. This is our strongest market argument.

info

gAte and TÜV-RoiM

TÜV SÜD supports its customers through innovations and process optimization in its cost management, allowing customers to concentrate on core business. TÜV-RoiM increases the availability of systems, establishes legal certainty and relieves customers of the need to implement legal regulations themselves – even in the chemicals sector. The concept for »holistic systems technology« is a central mechanism: TÜV SÜD customers benefit not just from lower operating and maintenance costs, but also from the longer service life of TÜV-supported systems: gAte enables up to 25 percent of a plant's lifecycle costs to be saved.

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