



Flexibility the key to survival

BY SARAH BYRNE

FEELING the impact of the downturn, Nexxis founding director Jason De Silveira said the company has adapted its model to fit its clients' needs by identifying what really matters to the industry.

Innovation to provide greater flexibility, efficiency and risk mitigation were essential for Nexxis, Mr De Silveira told *Oil & Gas Australia*.

Nexxis provides a range of specialised inspection cameras, non-destructive testing (NDT) equipment, instrumentation and measurement and alignment products essential for working in remote and confined spaces and tasks such as pipeline and tank inspections.

"The downturn in the resources sector obviously had a massive detrimental impact on industry and its suppliers," Mr De Silveira said.

"But operators needed to continue operating and had to minimise disruption, which meant there was still a need for essential products and services like those provided by Nexxis. So we had to look hard at our business models to ensure we remained relevant and attractive to the market."

The requirements of the company's clients fell into three categories.

"There are those that need continual access to specialist equipment but want assurance that maintenance and repairs can be carried out without impacting business continuity, there are those that require equipment at pre-determined times throughout the year, and there are those who may require ad hoc access but want fast turnaround," he said.



Nexxis founding director Jason De Silveira with some of the Nexxis team. *Image courtesy Nexxis.*

In response to this, Nexxis developed three supply options with pricing models to suit.

The first is a fleet management option, providing clients with the tools they need, plus access to replacements when maintenance or repairs are needed, and the flexibility to

upgrade as requirements change - operating in a similar fashion to fleet management for corporate vehicles.

Nexxis' second option is based on a timeshare model.

"It allows organisations to access equipment at pre-determined times throughout the year, such as for scheduled shutdowns, but to spread the costs across 12 months."

The third option is for those unforeseen circumstances, such as conducting emergency repairs, where a direct rental-on-demand option is required, Mr De Silveira said.

"We had to ensure we had adequate stock and the right delivery networks to get tools to site quickly."

To remain efficient and profitable, Nexxis works with its clients so that the company knows what is coming up in the pipeline.

"We work together to ensure everything is matched in terms of demand and supply," he added.

Mr De Silveira said service and repairs are hidden costs with significant impact on resource companies, and uptime and reliability are sometimes forgotten.

"The model delivers faster response times through equipment exchange, maximum uptime and most importantly the latest technology that can deliver a faster scope completion," he said.

"While companies are looking for smarter ways to do business, they also want to mitigate risk by ensuring they have trusted relationships with suppliers and in many cases the boom led to a decline in the standard of service, supply shortages and delays," Mr De Silveira said. ●

Out with the old, in with the new

BY SARAH BYRNE

THE DAYS of 'do and charge' are over, according to Steve Dropulich, the managing director of services group Valmec.

Speaking with *Oil & Gas Australia*, Mr Dropulich said in current challenging market conditions, clients require some certainty around costs and turnaround times.

"The days of do and charge, and she will be ready when she is ready are slowly disappearing," he said.

Having entered the market around the time of the fall in commodity prices, the company's lean model has enabled them to grow in a market where the majority of companies are retracting.

"In a roundabout way, we are starting off with a low base and seeking to grow, so we will experience growth."

"Whereas, some of our competitors and larger players expanded significantly during the boom and are now having to retract very quickly in order to survive," he added.

In response to client's needs, Mr Dropulich said Valmec offers fixed prices and firm turnaround times, which was a key factor in the company recently securing a long term services contract from Origin on behalf of Australia Pacific LNG (APLNG).

Mr Dropulich said an 'up kick' in upstream coal seam in Queensland was expected as a result of the LNG trains coming online and producing substantial cash flow.

Valmec's strategy has been to get involved and build relationships early in the project and then carry this through to working on service and maintenance later down the track.

"We strive to provide the whole package from construction through to maintenance

and commissioning in upstream. We see growth in the upstream expansions," he said.

In March, Valmec was awarded a contract to provide technicians, equipment and parts as part of its preventative and corrective maintenance service to Origin as joint venture partner and operator of APLNG's upstream gas compression and power generation assets located in south west Queensland.

The contract has an estimated value of \$24 million and is for an initial period of two years with extension options for a further two years.

Service works under the contract commenced immediately and are managed from the group's facilities in Dalby.

Pleased with this contract award, Mr Dropulich said Valmec will continue to back itself and provide a lean, efficient solution for clients. ●

