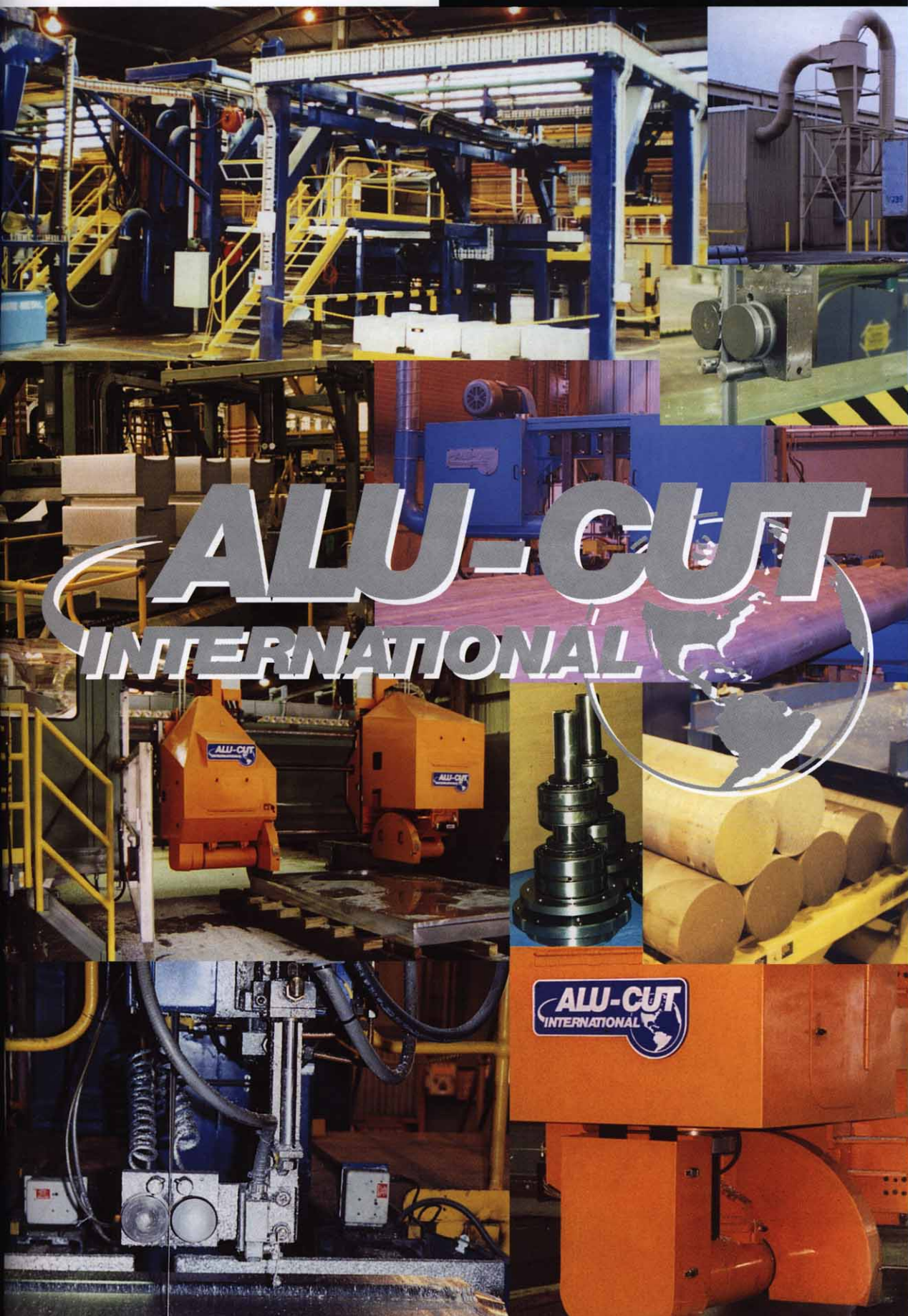


Aluminium Times

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■ Allan Roy of Pyrotek, USA is our personality this month

■ Articles on Australia's Boyne Smelter, FCB at Mozal and the new Montenegrin anode plant

■ Achenbach 550 year jubilee celebrations

■ The World's largest Aluminium exhibition, a preview of Aluminium 2002 - Essen, Germany

■ Alcoa UK continues expansion programme at Banbury

■ Explosion bonding in aluminium smelters by DMC Nobelclad, France

■ Sturdy Combustion, UK manufacturer of burner systems is one of this months company profile

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Allan G Roy, President of Pyrotek, talks to Aluminium Times

Allan G Roy is President of the world-wide Pyrotek organisation, leading suppliers of refractory materials to the aluminium industry. In this article, he provides an insight into the strengths of his company and its future goals.

Aluminium Times recently had the opportunity to interview Mr Allan G Roy, President of the US Spokane-based Pyrotek organisation during one of his recent visits to the company's European headquarters building in Milton Keynes, England. Pyrotek is a world leader in the supply of refractory products and consumables to the aluminium industry. The organisation has about 950 employees worldwide and annual revenues of US \$ 135 million. About half the company's sales are in the USA*. Mr Roy set the scene by explaining that his presence in Milton Keynes reflected the importance with which his company viewed the European market. It constituted 25% of Pyrotek's total revenue and it was growing at the rate of 10-12% per year.

Aluminium Times then asked, in the knowledge that the company had been founded in 1956, what were the factors which had made Pyrotek a leading brand and product supplier in what was a very competitive market?

In reply, Mr Roy said that, from his perspective, there were two important elements in the company's success:

The first was the ability to focus on the customer's needs. Aluminium represented Pyrotek's core business. It constituted most of the organisation's sales and all of its growth in Europe. The company was totally concerned with this one market. Because of this, Pyrotek had developed a technical sales force based in local plants, in order to offer a better service to its customers. As an example, it had sales coverage in every major European country which produced aluminium. In addition, it had eight manufacturing plants in order to guarantee stocking and prompt delivery.

The second factor had been Pyrotek's momentum in continuing to develop new products, reduce manufacturing costs, and pursue a path of continuous improvement. In addition, most of the organisation's plants were qualified to ISO 9002. Product development was considered especially important. The company strove to develop

four or five new products every year. All of these introductions would bring added value for Pyrotek's customers.

Aluminium Times was then constrained to ask how Mr Roy's personal business approach had changed over the years, as the company had grown?

Mr Roy acknowledged it had changed. In the early days of Pyrotek, he had spent about 90% of his time divided between sales and product development, with the largest amount of his available hours being spent talking to customers. At the present moment, he spent about 30% of his time talking to customers, 30% divided between suppliers and acquisitions and the remaining 40% running the business.

Aluminium Times then commented that Pyrotek, as an organisation, was quite large. It was realised that an emphasis on research and development could bring about innovation, whilst acquiring new companies could also introduce new products. How then, would Pyrotek move forward over the next three to five years?

Mr Roy confirmed that the company would continue to place an emphasis on research and product development. At any one time, Pyrotek would have about ten projects under evaluation. Most would never progress to a commercial stage, but every now and again a programme would be successful. It was the one which worked which fuelled the company's growth and which consolidated their relationship with their customers.

Pyrotek would also continue their policy of acquiring new companies – they had purchased four new firms in the space of the last 12 months. However, such enterprises had to fit into the organisation's core business, and the company had to be in the position to make them grow, both in terms of sales and profits. Integration was not easy and if it failed, then the acquisition also foundered.

Aluminium Times then posed the question, how closely did Pyrotek work with other suppliers who manufactured materials on behalf of the organisation?

Mr Roy's retort was "very closely". Pyrotek's goal was to bring the best products to their customers. Such products did not necessarily have to be made by Pyrotek. However, in order to achieve this goal, the



Mr Allan G Roy, President of Pyrotek, Inc.

company often formed strategic alliances with its suppliers. In relative terms, they were a small company, without the necessary technical expertise in all areas.

When a customer sought an answer to a problem, the company would seek the best solution. Sometimes, this might lie outside Pyrotek's normal area of expertise. If the problem was seen as significant, they would often form a close relationship with a supplier, whereby both parties would develop a product for a particular application, the supplier granting Pyrotek exclusivity for the specific area. The outcome would be that both companies would jointly grow the market. There were a number of these strategic alliances in place which had been very instrumental in Pyrotek's expansion. Having said that, about 70 to 80% of everything the organisation sold was manufactured at one of the company's factories.

So why indeed would a customer buy from Pyrotek, and what service might he expect in achieving his goals? – *Aluminium Times* posed the question.

Mr Roy said his organisation provided the following advantages:

- a They were one of the largest, if not the largest, supplier of consumables to the worldwide aluminium industry.
- b They operated a truly global organisation with plants in 35 to 40 separate countries.
- c They had a sales force of about 150 Sales Engineers. Over half these Sales Engineers had degrees in engineering and had previously worked in the aluminium industry. In addition, Pyrotek had five well-qualified technical staff whose sole goal was to provide assistance to the company's customers. They worked in conjunction with the sales people and acted

An article on Pyrotek, entitled "The Pyrotek phenomena" appeared in Aluminium Times, January/February, 2002, page 32

strictly as a technical resource. They had no sales responsibility.

- d The company were able to offer an excellent service as a result of their global coverage.
- e Pyrotek were first and foremost a supplier, developer and manufacturer for the aluminium industry. That was their forte.
- f The organisation placed an emphasis on quality. Most of the company's plants were certified to ISO 9002. This practice provided customers with accountability and an assurance of consistent quality.
- g There was the advantage of ownership, inasmuch that the company totally owned all of its plants and sales offices. They did not tend to work through distributors. To the customer, this meant a good technical backup, together with consistent products and policies.
- h Pyrotek were one of the few companies in the world which could really supply consumables on a global basis. They had direct representation in virtually every major industrial country which produced aluminium.

Aluminium Times then asked Mr Roy if he could say something about his background before he joined Pyrotek.

In response, Mr Roy revealed that he



"Our company will continue to place an emphasis on research and product development"

graduated with a degree in metallurgy from Bendigo School of Mines in Australia in 1957, after which he held various research posts in Australia and Canada. In 1962, he completed a masters degree in solid-state physics from Lowell Syracuse University in just over two years. He subsequently joined Kaiser Aluminum in their research centre in Spokane, W A, as a Physical Metallurgist. From there, he transferred to Kaiser Mead where he was Chief Metallurgist of the South Plant. Finally, in 1968, he joined Pyrotek

with responsibility for both sales and technical development. This was a job he had held for 34 years, during which time Pyrotek had grown into a global organisation.

At this point, *Aluminium Times* asked Mr Roy to comment on the International Melt Quality Workshop which the company had held late last year in Spain.

Mr Roy explained that the event had been a new experiment for Pyrotek. They had conducted a number of international meetings in the past with the company's employees, but never before in conjunction with their customers. The International Workshop had provided the opportunity to meet up with some of their most important customers and to discover how the company could help them in a wide range of technical and commercial areas. Pyrotek had already generated additional business as a result of the event and they planned to hold another workshop in 2003.

Aluminium Times asked Mr Roy how he would describe his management style, and if he could explain how the business was managed out of Spokane – did the company have a board?

Mr Roy said he thought he saw his management style as that of a democrat/delegator. Based on the company's structure, that was virtually the only way the business partnership could be managed. Mr Roy further explained that his partner was Dale Swanson, Chairman of Pyrotek, and one of the founders of the organisation in 1956. They had both been very good partners and friends for 34 years. One of the criteria for a good relationship was the ability for the partners to disagree whilst still contributing. Mr Roy said that Dale and he had disagreed over the years, but they had a deep appreciation of each others skills, and they had always been able to bridge the gaps. Any differences had never been personal. He further explained that the organisation was privately owned, and that he and Dale were the major shareholders.

As to the question as to whether the company had a board, the answer was not really in the conventional sense. They did have a board meeting once a year but it very rarely involved policy. Instead, the organisation had a group of general managers and senior executives who met two or three times a year to determine policy and direction for the company. This informal group of general managers was an important key component of the firm. It had existed for over 20 years and represented all areas of the organisation. The circle included marketing, finance and operational general managers in the various regions of the world. It was this group which ran Pyrotek.

At this point, *Aluminium Times* asked Mr Roy if he would like to comment on his approach to the personal development of his staff worldwide?

Mr Roy said that the subject was very important to Pyrotek. In the area of personal



"The Madrid-based International Melt Quality Workshop was a new experiment for Pyrotek"

development, the company tried to identify peoples' potential fairly early in their career at Pyrotek. Special efforts were made to challenge these employees, provide them with new responsibilities, and in due course promote them, so they would find their job at Pyrotek satisfying, thereby allowing them to achieve personal growth. By having such a policy, the company was able to retain good people, giving them continual challenges and increases in responsibility. Because of this approach, the organisation had been fortunate in retaining all its best employees.

Aluminium Times then asked a personal question of Mr Roy – how did he relax?

Mr Roy revealed that he had a wide variety of hobbies and interests. These included sailing, tennis (two mornings a week) gardening and occasionally golf.

Finally, *Aluminium Times* asked Mr Roy if there was one person how had helped him in his career, above all others, or given advice which later came true?

Mr Roy said that there was only one individual who fitted this role and it was his partner Dale Swanson. He was ten years older than himself and he had been his partner and mentor for the 34 years in which he had been at Pyrotek. He was a strong pragmatic manager and, unfortunately, when they disagreed, he was often correct. Mr Roy said that over the years, he had taken note of this and he had certainly benefited from his wisdom. He would not be doing his job today, had he not had this relationship with his partner.

In conclusion, Mr Roy thanked *Aluminium Times* for taking the time to interview him and share the resultant insight into his company with its readers.

Reader Reply No.111