

## KNM's many firsts in Book of Records

By MICHELLE SHEARES

IT IS not often that a company can lay claim to making an entry into the Malaysia Book of Records, but when one does, there is certainly much to be proud of.

KNM Steel Sdn Bhd is one such company that can lay claim to not one, but four such entries, since 1996. The entries include those for the "largest and heaviest LPG (liquefied petroleum gas) mounded vessel", the "tallest and heaviest pressure vessel", the "tallest roof supporting single mast" and the "largest and heaviest LPG mounded bullet tank".

As a leading process equipment manufacturer and turnkey storage facility provider in Malaysia and the world, KNM has taken advantage of the robust growth in the oil, gas and petrochemical industries in the region to develop into a world-class manufacturer.

It has established an extensive track record with over 80 reputable customers worldwide in a short span of twelve years.

KNM's pool of experienced engineers, designers and technicians has made a name for itself with several firsts in Malaysia and the Asian region.

To date KNM has joined the small but elite group of manufacturers in the world who have shown themselves to be capable of designing and manufacturing vessels exceeding both 1,000 tonnes in weight and over 100m in height.

The company's commitment to research and development efforts has resulted in many innovations and proprietary intellectual knowledge that has been successfully put to use in improving manufacturing processes such as inspection, post-weld heat treatment, lifting and jacking.

KNM's policy is to deliver quality products and services that are second to none, to the satisfaction of its valued customers. It also envisions becoming one of the top ten world-class manufacturers for process equipment and storage facilities for the oil, gas and petrochemical industries.

The company is already well on its way to achieving these goals.

For starters, its local records are impressive.

KNM was given the task of designing and building three LPG horizontal mounded vessels for oiltanking in Singapore. KNM took the task of constructing the three 3,300 cu m capacity, 812-tonne bullets in its stride.

Constructed at the KNM facility in Bukit Rambai, Malacca, the feat took just over a year from conception to delivery, with the first of the three vessels being delivered on April 29 2001 while the third and last vessel was delivered on May 21 2001 to satisfied customers in Singapore.

The vessels, which are constructed from 46mm thick BS1501-224-430A LT40 carbon steel being used for storing propylene in the Jurong industrial area.

Prior to this, KNM was already known for its ability to handle extremely large fabricated items such as the 105.5m tall, 1,640 tonne propane splitter for the Propane Dehydrogenation Plant in Gebeng, Kuantan. Its function is to split propylene from propane. Aptly named the Propane-Propylene Splitter, it was completed in July 1999.

As the heaviest and tallest pressure vessel in Malaysia, it too found its way into the record books.

KNM's success story continues with the 102m tall roof support mast, weighing in at 250 tonnes, built for the Aquatic Centre at the National Sports Complex in Kuala Lumpur.

The mast had to be transported in sections from Malacca to Bukit Jalil. It was then erected using an unconventional hydraulic lifting system that required the building of a 45m temporary tower to provide the platform for the joining and lifting operations.

The LPG mounded bullet tanks which were completed in 1996 constituted yet another entry in the Malaysia Book of Records. The two bullet tanks are used for storing LPG in the LPG terminal and bottling plant in Tawau, Sabah.

Each weighing 528 tonnes, they measure 50.8m in length and 8m in diameter and are made from carbon steel.

KNM was formed in 1990 with a Dutch Group, Koninklijke Nederlandsche Machinefabriek, to take advantage of the robust growth of the oil, gas and petrochemical industries which resulted in a high demand of process equipment and storage facilities.

Over the years, KNM has grown by leaps and bounds, progressively increasing its Malaysian content, although many of its products are exported to Asia, Europe and America.

The company's main challenge is to continue improving its competitiveness in the global market against potential manufacturers from China, especially after the latter gains entry into the World Trade Organisation.

In order to better face these challenges, KNM is considering establishing new manufacturing facilities in China, Vietnam and West Asia. This will ensure a competitive edge for the company, while maximising the use of local content and saving logistics costs.

The firm considers one of its biggest successes as having achieved its vision to be a leading manufacturer for process equipment and storage facilities.

Asked about how the company retains its existing customers and secures new ones, KNM's executive chairman Datuk Abdul Rani Mohd Razalli said the firm has established a very close working relationship with its customers whereby more than 50 per cent of them have been dealing with the

firm for 10 years. "This long-term working relationship will ensure continuity in our business," he said.

"It is company policy to deliver products and services that are second to none, and to meet the contractual obligations and satisfaction of our customers," he added.

"We have established a database of new business potential, new clients, contacts, market updates, competition, competitiveness of our proposals and relevant information," Abdul Rani said.

"Our company is committed to participating in e-business with the establishment of advanced IT knowledge. It has been investing extensively in IT equipment for access to the Internet market. We expect e-business to feature more prominently in the future and may become the norm for future business."

KNM also has plans to develop new areas of business that leverages from its existing strengths. These include maintaining related services, expanding its products to include exotic materials such as chromium molybdenum steel, incoloy, inconel and exo-Hastalloy and to carry out specialised related services such as post-weld heat treatment etc.

In order to boost growth, KNM's strategy is to establish regionally based marketing or liaison offices and facilities to enhance its local presence in the region of interest. This not only projects a positive commitment to the potential customers, it also provides greater focus and accuracy in market intelligence and a more effective management of the regional business.

These factors are among those that set KNM apart from others in the same industry, said Abdul Rani.

In addition, Abdul Rani said, KNM also has an edge over its competitors in terms of their ability to provide turnkey solutions, an abundance of innovative ideas and proprietary intellectual knowhow, a wide customer base, both locally and worldwide, reliable quality that meets international standards and on-time delivery.

KNM plans to invest further in existing facilities to upgrade and develop them into integrated manufacturing plants. It also has plans to acquire new technology and increase the product range in exotic materials and related services and develop licensing arrangements or alliances as strategic partners.

The company intends to use information communications technology to increase productivity in all the company's key operational functions and invest in training to ensure KNM's personnel remain the best qualified in the industry.

KNM expects a 25 per cent increase in terms of turnover and a 28 per cent increase in profits for the year 2002.