

## Petroplus Bitumen

# Adopting a broad view to add maximum value

The new name supplying bitumen to the UK roads sector – Petroplus – is doing a lot to add value to the supply chain.

**S**ustaining long term advantage in a highly competitive environment requires more than just low cost suppliers. All asphalt producers focus on price to achieve lower costs but some seek innovative suppliers to unlock additional real value in their business. Petroplus, the new name in bitumen supply, sits firmly on the side of innovation.

Petroplus – Europe’s largest independent refinery operator – acquired BP’s UK

Bitumen operations in 2007 and put in place a policy which is largely based on ‘business as usual’. This means continuing with a strategy already well developed prior to the acquisition, for adding value through its products and services.

Engagement with the supply chain and a willingness from customers to play their part is vital to Petroplus’s strategy. It starts with safety, which Petroplus is leading through its Stay Safe programme (see box) and

increased operational efficiency is being offered through electronic commerce and investment in tankage and new technology. All these initiatives need collaboration with asphalt customers.

“Our business philosophy is based on being an innovative low cost operator in order to enable the added value pay back to our customers. Optimising this requires work in partnership with customers because it often means a change in working

## STAY SAFE IMPERATIVE MAINTAINED



Petroplus has launched a Stay Safe DVD and literature for the safe handling of bitumen products

**P**etroplus is developing its efforts to promote safety with release of the ‘Stay Safe’ DVD and literature for safe handling of bitumen products. The initiative has evolved from the Refined Bitumen Association’s (RBA) safety guidelines, which Petroplus was influential in developing when it was an RBA member as BP Bitumen.

Petroplus has taken over the BP Bitumen business, and safety is high on the agenda of the new company’s business and offer to customers. “This effort adds value by helping to increase awareness of safety issues in bitumen handling. Most plant operators realise that safe operations are an imperative for operatives’ well being and also more cost efficient, because lost time, clean up and claims all cost money,” says Petroplus’ Business Manager Kevin Maw.

“The bitumen industry has reduced incidents by 50% over the past three years and now it is trying to go the next step towards zero. To stand any chance of getting there, we must not be complacent. The Stay Safe package will help. It holds viewers’ attention and includes an electronic questionnaire to check they have retained the knowledge; and matches requirements for CPD.”



Petroplus is investing in managing the delivery of bitumen on a more flexible basis with larger road tankers and off peak deliveries

practice,” says Petroplus Marketing & Business Development Manager Gareth Evans.

“We have a target of making at least 40% of deliveries through remote stock management. We are investing in larger, modern tanks at our customers’ sites for better storage and we want to manage delivery of bitumen on a more flexible basis, with larger road tankers and off-peak deliveries to make supply more cost efficient. The transport savings are shared with the customer, which is how efficiency creates added value.”

Petroplus’s remote stock management monitors customers’ tank levels through a web based system and arranges deliveries to keep tanks stocked. Petroplus also offers electronic trading, with Causeway Technology’s Tradex platform acting as a receptor and translation hub for ensuring compatibility between all formats of electronic transaction data files regardless of the customer’s back office system. In return for its investment in more efficient ways of working, Petroplus wants to achieve customer loyalty and partnership through collaboration.

“The whole roads sector is looking for more efficiency. For us, this is about ensuring we are a more efficient supplier, working with the supply chain,” says Evans.

“All parts of our strategy are intertwined and support each other. At Llandarcy in South Wales, we have got probably the best R&D facility in the UK that can do all UK and French bitumen and asphalt testing in one place. We have been at the forefront of developing EME2 asphalt mix designs and proprietary asphalt applications for our customers, working towards better value for the roads sector.”

**“Our business philosophy is based on being an innovative low cost operator in order to enable the added value pay back to our customers.”** Gareth Evans

In anticipation of a likely increase in use of EME2 asphalt, principally on heavily trafficked roads, Petroplus has been investing at its Coryton refinery for production of hard paving grade bitumens. Coryton, in Essex, is well placed for supplying the asphalt sector; and with its polymer modified binders, technical expertise and facilities, Petroplus has purchased a bitumen operation with all the attributes for future success.

Industry asphalt sales have been falling

over recent years but the auguries point to better years to come. Major infrastructure projects planned for the Midlands and South East include M25 and M1 motorway widening, port expansions, Thames Gateway developments and the 2012 Olympics. Coryton is well placed to satisfy this demand.

These and more high profile projects are starting and a big challenge for Petroplus and the whole roads sector supply chain is addressing construction inflation and rising tender prices. Hydrocarbon inflation and in particular bitumen price is an important factor, but, just as Petroplus has come in with a positive “can do attitude”, Evans says, the supply chain needs a broader more inclusive dialogue to enable solutions to be found.

“We need our customers and their clients to see the whole picture in terms of what we’re offering,” Evans says. “In today’s consolidated market taking a very narrow view on what bitumen suppliers can offer risks loss of opportunity to add value to their business and the supply chain.

“Consistency of supply and long term planning is needed to get efficiencies and the most from our strategy. It’s critical in future for us all to improve demand management.”

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