

# TREPAX INNOVATION

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CORPORATE BROCHURE





The 1980s saw the emergence of developing regions, none more so than South East Asia. This development brought a rising demand for construction and laid the foundations for Trepax Innovation. Director Paul Greenhalgh gives Andrew Pelis an insight into how the business has evolved since Thailand's "Tiger economy" was born

**T**hroughout the 1980s South East Asian markets grew to such an extent that they earned the label "Tiger economies". One of the primary beneficiaries of this period was Thailand, and although the last couple of years of global economic downturn have impacted the country, the effects have perhaps been less severe than in other areas of the world.

"Wherever I travel in the world, I get a good reception when people know that I am representing a company from Thailand," says Paul Greenhalgh, director at Trepax Innovation. "People have a good impression of the country and a perception of hard-working people that are very service-oriented." It is an image Greenhalgh says is both accurate and a key selling point. "We definitely try to drive home that point in our marketing and our customer service focus is something that helps to define our business."

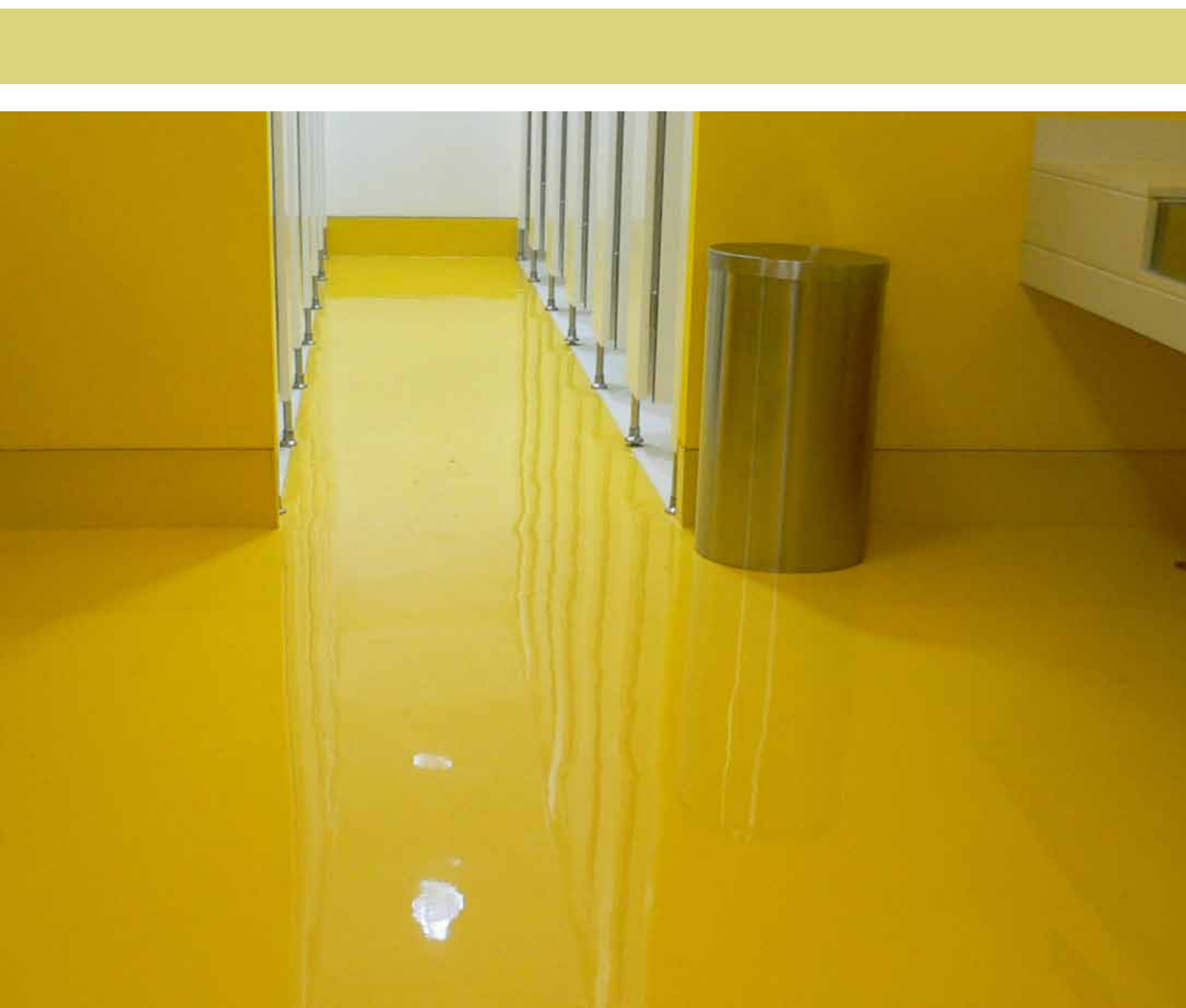
Trepax is a specialist contractor, providing waterproofing, flooring, concrete repair and corrosion protection systems to a variety of customers across Thailand and increasingly throughout South East Asia and further afield. "We consider ourselves to be a turnkey company as we design, supply and crucially install these specialist systems for our clients," Greenhalgh explains.

The company's history dates back to the 1980s when the economic boom in the region created huge opportunities for a variety of overseas suppliers, as Thailand built an industrial infrastructure that moved it beyond its more traditional agricultural roots. The new approach created an explosion of construction projects and at the time, the country did not have enough skilled engineers who fully understood how to use and install these specialist systems.



# A service reputation





“We started out in waterproofing, which is where the lower value markets exist, but at that time nearly all of the products had to be imported,” says Greenhalgh. “Trepax identified a gap in the market, as the end user still required installers with a technical capability, so we saw an opportunity to establish a contracting company with a technical marketing bias.”

Englishman Greenhalgh joined the company around twenty years ago, having worked in the Middle East for a major construction company and then finding his way to Thailand through work associated with Trepax. His arrival saw the introduction of manufacturing from a 3,000 square metre factory in Bangkok, which directly employs around 90 people. “We are an SME-type of company and in addition to our permanent staff, we work with retained sub-contractors, so, depending on work loads, we could have up to 300 people working for the business at any one time.”





Greenhalgh says that Thailand's well established education system enables Trepax to employ skilled engineers from various engineering disciplines. "We take people from engineering, mechanical engineering and chemical backgrounds as the country now has a good knowledge pool that we can draw from," he says. "The biggest change has been moving away from our dependence on imported products and raw materials as most of our needs are now met locally, thanks to the technology transfer.

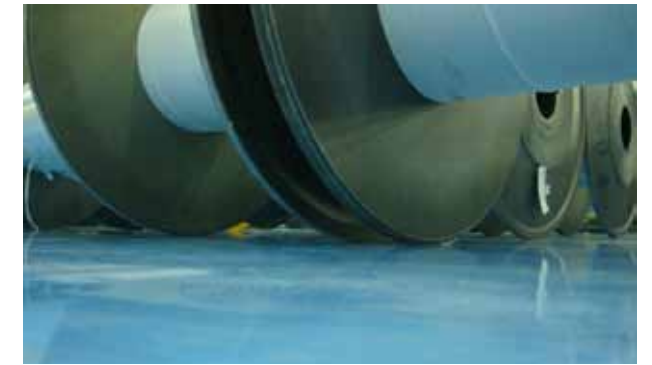
"This situation came about as more international manufacturers of construction products moved to Thailand," he explains. "People learned from them and then set up their own businesses to support the local markets. Downstream development and the growth of the oil, gas and chemical industries in Thailand has meant more of the raw materials are available locally, which has been cost-effective for us and has meant we can service the market much more quickly, and offer more choices to our customers."

The coating manufacturing process is labour intensive but delivers quality to ISO levels that meet both Thai and UK standards. Many of the activities onsite involve chemical compounding and processing and Greenhalgh says that having four distinct markets with a wide product range makes it hard to automate, so staff are trained to multi-discipline. "Compared to businesses in Europe, we are not what you might call lean, as we take advantage of the skilled and cost effective labour pool here. As far as the final installed product goes, up to 70 per cent of our costs are raw materials, with only 30 per cent labour costs. In Europe the labour costs are generally the greater of the two in the equation."

Trepax is one of Thailand's leading specialist contractors, but operating in four very different areas makes market share hard to quantify, as the markets vary greatly. "In terms of volume of work, our core businesses are flooring, waterproofing and concrete repair," explains Greenhalgh, "but while corrosion protection is a newer market for us and in terms of square metres represents less volume, it is a higher-end market and generates bigger revenues."

Strategic investment in specialist equipment has enabled the corrosion protection services business to become highly professional and it is





floor to the installation area and a lot of skilled resources to deliver the final installed product to our standards of professionalism and quality."

The global economic downturn has had some impact on the business, with automotive manufacturers in particular suspending some of their projects, but Greenhalgh says the recovery has been relatively quick, and Trepax has seen its turnover increase during 2010 due to its diversified customer base.

always on the lookout for new market opportunities. "Our customer base is quite varied and we provide services for anyone from McDonalds, Coca-Cola and Exxon to BMW. Our business is growing progressively and we are always looking to increase our share of regional markets. Our current plans are to acquire more equipment to increase our capacity to support this. That and the building of overseas partnerships is a key challenge for our company, to ensure we have the capacity to support our growth in these areas.

"Our business model is very different from our competitors," he adds, "most of whom are multinational corporations that produce the materials but do not have the support services to install the product, so they rely on outsourcing where they lose control of quality. We are more interested in quality and we market ourselves as a contractor with integrated manufacturing services. That means we avoid the all too common disputes between the installation contractor and the product manufacturer. We can deal with these problems internally and can quickly ensure that the customer is satisfied with what we deliver."

The biggest operational challenge, Greenhalgh says, is managing the labour intensive logistical processes associated with the transition from manufacturing to a front-ended installation business with manufacturing support. "It requires a lot of organisation to bring the product from the factory

This provides a solid foundation for expansion into new areas. "We work throughout South East Asia and this summer we opened a new manufacturing site in Hanoi," says Greenhalgh. "This is a joint venture project with a local partner and we are also looking to set up similar ventures in Malaysia and the Middle East next year. The project in the Middle East is very exciting and we hope that this site will allow us to grow and service developing markets such as Iraq, Lebanon and Syria as well as other established countries in this region."

Closer to home he says that there is still plenty of opportunity within Thailand. "This is still very much a developing country and there are lots of opportunities here; we have won many projects in the established industrial and commercial centres and are looking to penetrate other growing areas. One of the burgeoning markets for us next year will be hotels and residential developments where there has been a clamour for new innovative interior decorative systems. This is a new market we will be looking to enter in 2011."

Greenhalgh has just come back from a visit to the Democratic Republic of the Congo where Trepax has a contract, deploying a 40-man team to supply and install protective linings to a copper mine expansion project there. It gives him the perfect opportunity to re-iterate his opening gambit. "Everywhere you go, people recognise Thai workers for their customer focus and high level of industry." [www.trepax.co.th](http://www.trepax.co.th)

