

Andy Lake: Director, Flexible Pipe Technology & Engineering - Flexlife



Could you give an overview of the Flexlife business?

Flexlife was founded in 2007 by three people who had worked together in the industry. Since that time, the company has grown from three to 100 employees and has a turnover in excess of £15 million. We have two UK offices – one in Aberdeen and one here in Newcastle. The Newcastle office opened in 2011 and currently employs 32 staff. Between the offices, we have two business units. I'm responsible for Flexible Pipe Technology and Engineering and the other business unit is Project Management and Integrity Management. In terms of the revenue split, it's roughly 50:50 between the two business units.

Flexlife recently confirmed a 45% rise in comparable turnover for the year 2011-2012. What

role has the Newcastle office played so far in this rapid phase of growth?

We've supported a new client with the manufacture and installation of a flexible pipe. We've also supported a range of inspection services for clients; whether that's annulus testing, scanning, or deployment of some of our products. In the last six months, we've sent members of the Newcastle team to Angola, the North Sea, the Irish Sea and the Gulf of Mexico on a variety of projects. We're the only flexible pipe inspection company offering our patented ultrasonic scanning technology which allows the user to see into the structure of flexible pipes. Another product of ours is 'Flexigel' which is designed to displace water leaking into the polymer coating of a flexible pipe and stop any corrosion activity that may have been taking place. We've recently worked with a client in the North Sea that

had an aging asset and used this material to isolate a section of pipe. We're looking to develop this line of business further.

Why did Flexlife choose the North East as its second UK base?

A core focus of the company is flexible pipe technology and engineering and there are very few manufacturers of flexible pipes; there is one here in Newcastle and there are two others in France and Denmark. Because the founder of the company originally worked for the manufacturer in Newcastle, they were aware of the resources and expertise they could tap into in the area. Although our UK customers are predominantly based in Aberdeen, the talent is not always readily available there, so the skills base here in the region is important. The heritage of the area and the legacy from other industries was also a key element. Although heavy industry such as ship building, armaments, steel and coal mining no longer exist in the region, the North East is still inextricably linked with its industrial past and as a result, there are a number of experienced people here who know how to design and build equipment.

Generally, what is your perception of the engineering skill base in the North East? Is there enough engineering talent here to sustain Flexlife's growth?

There are some very skilled people in the North East and we've been fortunate to employ some of those. They've come from different backgrounds and are adaptable, allowing us to take on a whole range of different projects out of this office. The sector is only going to continue to grow in the region; however, there is still a need to attract more experienced and skilled people to come and work here as well as getting more young people engaged in choosing engineering as a career. The universities are helping by tailoring courses and training programmes towards the subsea sector - for example, we currently have three members of staff in this office attending Newcastle University doing the Masters Degree in Subsea Engineering - but good, qualified 30-somethings are really difficult to find. Part of the solution will be changing the widespread perception of the region, within the industry, as being an area with high levels of unemployment. The other aspect is collaboration. Healthy competition for talent is good, but collaboration between local companies could be developed. The subsea community here is much bigger than people actually realise, and building the business to business relationships will only benefit the companies that make up that community. Somebody recently described the situation in Aberdeen as a 'recruitment war'; we don't need to create the same situation here.

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Why should other people consider joining Flexlife?

Flexlife is an innovative and growing company, offering progression and advancement to its employees. We have an open and honest approach to working with each other and working with our clients and are determined that the work that we produce will be of the best quality. We have an open type of structure in that we employ people who are self-starting with the ability to not just think and design something, but also to think about the consequences of having it made and having it deployed subsea. We also have people who now have experience of going offshore, seeing things installed and seeing how they operate once they leave the office. Through this, we're able to offer a range of opportunities for people who come and join us.

Over the last 30 years there have been huge advancements in oil and gas technology. What are the latest technology trends? How is Flexlife staying abreast of the competition?

There seems to be a greater emphasis on confirming the integrity of products offshore because the assets are aging and there is a requirement to check that they are still viable. We anticipate a lot of interest in our ability to inspect flexible pipe products, using a number of monitoring methods. We have products that are able to address certain problems and also, depending on the condition of the asset, we have the engineering ability to assess the effects of corrosion that might have affected the structural capacity or the fatigue capacity of the pipe. This enables us to offer a review as to whether the pipe can have a life extension for longer than planned, or whether it's at threat of being shorter than planned, because of the loss of integrity.

What are the key strategic priorities for Flexlife Newcastle over the next 12 months?

In Newcastle, there are certainly plans to continue to grow but we need to understand in more detail what that means and what we will grow into; but it's very much a key objective. The challenge for me is to get a structure that addresses not just the organisation but also the functionality that we want to have in the business unit. For Flexlife as a whole, we're looking to develop our business in Houston. That doesn't necessarily mean that we'll have people there, as we've deployed people all over the world from the UK and it's generally more effective for us to do that. But business-wise, Houston is a very important place to be, not just because of the Gulf of Mexico, where they have flexible pipe projects, but also because it tends to be a global centre for many of the operators with global projects.