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Wave of protest

by John Houseman, Director General

Not since Trevor Baylis invented the wind up radio have the benefits of generating power exactly where required been demonstrated so profoundly. The principle of adapting conventional technologies, in this case to bring education and medical advice to millions of Africans, could be scaled up to generate electricity locally for both domestic and industrial purposes and significantly reduce green house gases. Substitution of a conventional gas or coal power station typically generating a Gigawatt (1,000 MW), of which there are many, would require a wind farm of over 500 wind turbines! This clearly will not happen. Nevertheless the average power station consumes more than 6,000 tonnes of coal every 24hours creating over 12,000 tonnes of CO2 every day. Alternatives must be found.

By encouraging generation locally on a small scale but throughout the UK, big cumulative savings in 'greenhouse gases' could be achieved. The target to substitute 15% of demand with energy from renewable sources by 2015 will require one new wind turbine to be erected every day for the forthcoming ten years. Nissan have recently commissioned 6 turbines on their site at Sunderland producing 5% of the plants annual energy requirements (www.nissan.co.uk). However, the plans to develop a wind farm on the Isle of Wight have come in for fierce criticism and only two out of the six originally planned will be erected. It is ironic that most of the critics are from the 'green' element of society.

Companies willing to produce a proportion of their own energy requirements can do so without any financial investment as many energy producers will finance and build a wind turbine on any suitable site. Green electricity generated can then be traded for units from the national grid.

Tidal and wave power also have a valuable contribution to make, the proposal for a ten mile



Severn Barrage would generate 5% of the total UK power requirements through exploitation of the very high and predicable tides in the Severn Estuary. Once again it is the conservationists who are objecting to this massive project.

Alongside these proposals energy conservation measures taken in every home, office and factory will reduce the overall demand considerably.

The CBM are at the forefront of energy conservation within the metalforming sector and through the Climate Change Agreement we as a sector are committed to reduce our energy consumption by 25% by 2010; having already achieved a dramatic 15% reduction we are now charged with attacking the remaining, and most difficult 10%. Many initiatives are underway to reduce the requirements in all aspects of our industry. For more information on how the CBM can help you reduce your energy costs please contact us.

Not until we have developed the nuclear fusion process to generate electricity from tritium, extracted from sea water, which may take another 30 years, will we be able to squander energy as we have in the past.

Moreover it will become an even more expensive and valued resource, unfortunately even if we act now we shall all pay the price either today or in the future.



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Creating a Competitive Company

by Colin Coulson-Thomas

In many sectors different companies have similar offerings, people, technologies and processes. Yet some prosper while others struggle to cope. What do the businesses that adapt and grow do differently? My research programme examines why some companies develop while others stagnate. Critical success factors are isolated by comparing the practices of the most and least successful. Winning approaches are summarised in a new book 'Winning Companies, Winning People'.

People in competitive companies don't print money or cheat. Their attitudes, approaches, perspectives and priorities ensure they adapt, re-invent and break free of past constraints. If you would like to transform your company's fortunes, be positive. Display the will to win. Craft and communicate a distinctive vision, a compelling purpose, stretching goals and clear objectives.

Remain relevant and stay vital. Develop additional income streams, enhance capabilities and refresh intellectual capital. Create additional options. Launch new ventures and establish new markets.

Understand what is happening in the business environment. Anticipate events and confront realities. Take a longer-term view and provide strategic leadership. Inspire and motivate. Make sure people understand what they need to do and are prepared, equipped and enabled to act. Identify and tackle barriers to change.

Change can be stressful and may disrupt valued relationships. Think before you act. Distinguish goals, values, objectives, policies and activities that need to be changed from those that should be continued. Don't bark up the wrong trees. Focus on key corporate objectives, and concentrate your effort where it is most likely to make a difference.

Understand your customers and be proactive. Develop tailored responses. Approach those you would like to do business with. Push back the boundaries of what is possible, and become a trusted business partners.

Think for yourself rather than imitate and copy others. 'Me-too' activities are not the route to market leadership. Don't be overly cautious, too wary of commitments, or fail to anticipate requirements. Be confident. Build and release talent. Explore, pioneer and discover. Encourage and support enterprise and innovation.

Trust other people and share information and opportunities with them where this is likely to prove mutually beneficial. Invite feedback. Question and challenge, and listen and learn. Select people, business partners and opportunities with care. Collaborate on the basis of openness and transparency with complementary spirits who share your vision and values.

Be persistent but pragmatic, and determined but adaptable in pursuit of your aims. Take calculated risks. Experiment with new ways of working, learning and



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partnering. Don't mouth generalizations, engage in spin or confuse activity with progress. Cut through blather and hype. Get down to the fundamentals of what needs to be done. Wherever possible adopt simple solutions and take direct action.

Balance strategy with capability, and ensure all the pieces of the jigsaw puzzle required for sustained competitiveness are in place. Empower business units and venture teams to bring about whatever changes are required to enable them to achieve their objectives and deliver value to their customers.

Don't try to do everything yourself, or resist new and external ideas. Delegate responsibly. Work with colleagues to foster winning attitudes and behaviours. Learning from resolved problems and celebrating success helps to sustain momentum. Finally, go for it. Achieving success is often easier and is invariably more satisfying than rationalising failure.

Further Information

Colin Coulson-Thomas who has advised over 100 boards on improving board or corporate performance is the author of 'Winning Companies, Winning People' which is available from www.akdpress.com; sales@akdpress.com; Tel: +44(0)1243 779378; or Fax: +44(0)1243 779078. Colin can be contacted via Tel: +44(0)1733 361149; email: colinct@tiscali.co.uk or www.coulson-thomas.com.

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CBM Events

A further event is being formulated for November to examine the latest developments in materials and treatments for the metal industries. There will be speakers from suppliers including steel manufacturers, lubrication, and heat treatment. In addition we will hear about on-machine performance monitoring and process control. These technologies are crucial to getting maximum value from your processes. The event will showcase the latest technology and 'best-practice', offering delegates the opportunity to understand costs and benefits.

There has also been a strong demand for short courses which can provide high value with minimum release from the workplace. We are selecting a shortlist from the following, to be staged as one-day courses at the NMC: Supporting the team through change; Safe working; Report writing; introduction to presentation skills; Performance management; Managing meetings effectively; Leadership; Instructional technique; Fire Marshal training; Fire awareness; Facilitation skills; Environmental impact; Counselling & Disciplinary skills; Communications skills.

We will be circulating full details in October. If you are interested in finding out more about these events or the short courses please visit the CBM website or email alan.arthur@britishmetalfforming.com

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We have responded to requests for an integrated programme of events by planning a number of linked workshops.

The first of these was a half day event on 21st September, preceding the Sector Meetings at the NMC. A strong line-up of presentations from three companies examined the issues of collaboration and partnerships.

The event was chaired by Bryan McGinity, who drew on personal experiences from the automotive and other manufacturing supply chain industries. Delegates were encouraged to contribute to the debate.

A summary report is being produced for delegates, with guidance on issues arising from the event. Lunch provided an opportunity to network with event delegates and colleagues attending the afternoon Sector meetings.

The follow-on event is planned for 12th October, provisionally titled "Global Business – Doing business in China & Emerging markets". This half day event focuses on establishing and

securing overseas ventures in less traditional or geographically distant markets. Where the first event debated the issues and viability of 'in-house versus outsourcing' this event examines the management of long distance supply and responding to customer demands. We are lining up a number of key speakers to share their knowledge and experience.



Employment Law ... Who Needs It?

Picture the scenario. On a hot day in July, a young lady was bending over the water cooler, obtaining a much needed beaker of water when suddenly she felt a hand on her bottom inside her clothing.

She jumped and turned to confront her molester and asked him what the ***** he was doing. He replied sweetly that he was just tucking her label in which was sticking up. Needless to say she complained.

This is just one of many situations that have arisen since the arrangement between Confederation of British Metalforming (CBM) and Employment Law Advisory Services Ltd (ELAS) commenced over 2 years ago.

It is a fact of life that employees are a company's major asset, but employees are also a source of major headaches for employers.

With the growth of employment law and increasing rights for employees, employers can often be forgiven for thinking that they are under siege by not only the Government in the UK but also by the European Parliament.

There are now regulations covering every aspect of employment, and also every aspect of taking over another business.

The list is endless and is increasing. The 1st October 2006 will see the introduction of age discrimination, which will regulate every aspect of employment and training from school leavers to those approaching retirement and beyond.

The Regulations will also affect recruitment and the wording of advertisements. Indeed, the Department of Trade and Industry in its assessment of the impact of the Regulations anticipate 8000 Employment Tribunal claims as a result of the introduction of the Regulations per annum.

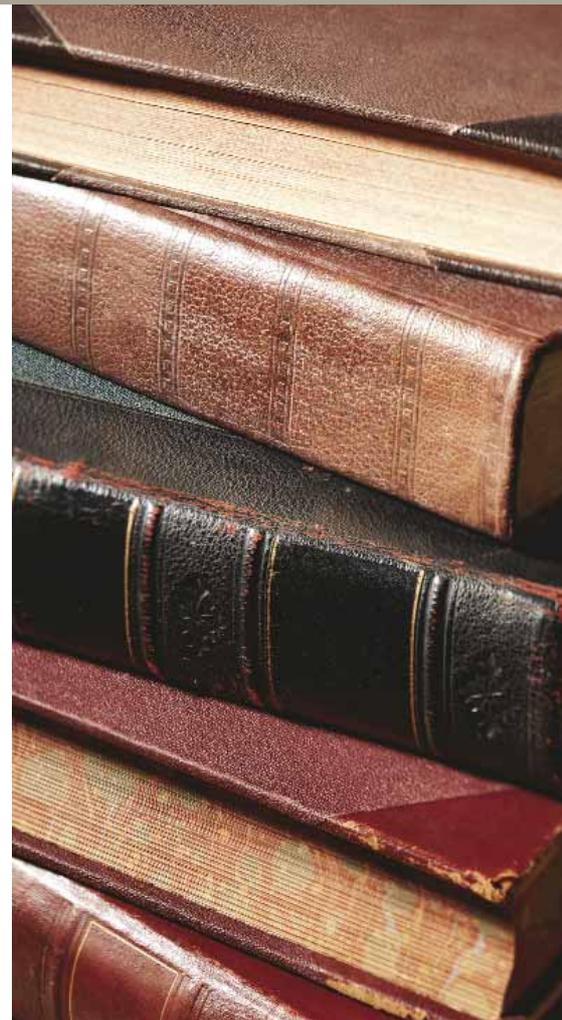
It is therefore essential for employers to have speedy access to sources of employment law and advice on how to deal with issues as and when they arise.

Consequently, the arrangement between CBM and ELAS is an invaluable benefit provided for the use of its members. A quick telephone call is all it takes to get immediate advice on every aspect of employment law.

Many members of CBM have benefited from such advice, which has defused situations, which could have led to expensive Employment Tribunal claims.

On average during the last 2 years, ELAS has assisted at least one member of CBM every working day.

ELAS will also, if required, represent CBM members in defence of Employment Tribunal claims, and in so doing CBM members benefit from reduced fees.



Originally, Employment Tribunals were designed so that employers and employees could resolve their differences without having recourse to professional representation, however, with the relentless growth of employment law since the passing of the Redundancy Payments Act in 1965, Employment Tribunals have become extraordinarily complex and technical, particularly with the growth of case law.

Therefore, to attempt to defend a claim without professional help, is fraught with hazard and could lead to an expensive outcome. Currently the maximum payment of compensation for an unfair dismissal claim is £58,400 on top of the basic award. For any claim involving discrimination there is no ceiling on the amount of compensation that could be awarded.

And what of the water cooler incident? Well, the young lady concerned made a formal grievance complaint, which was upheld in her favour. The man concerned was disciplined for an act of sex discrimination, which amounted to gross misconduct for which he was dismissed. In the case in question, the employer had a comprehensive equal opportunities policy in place, which warned of the risks of harassment and discrimination on the grounds of sex, amongst other matters.

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Insurance – Ten more essential Top Tips

Most members recognise there is more to insurance to just buying at the lowest price and then putting the policies (unread, of course) into the filing cabinet until a claim occurs.

In this second “Top Tips” article, John Fuller, Regional Director at CBM accredited insurance providers – Country Mutual – highlights more essential insider tips to help members get the best from their insurance spend and avoid frustrations when the loss you believe should be insured, isn't.

1. Physically inspect driving licences at least annually

Insurance for your business vehicles is highly dependent on your driver holding a valid licence. Quite simply, no licence = no cover. Unfortunately, it is not unknown for an employee to acquire a three month ban and not inform the employer in the hope that the three months will pass without anyone becoming aware (in one example, an employee wrote-off a car whilst banned for three months: the insurer exercised their right not to pay the claim).

Also, be alive to the risk of drivers holding duplicate licences: it is possible for employers to check directly with DVLA.

2. Communicate insurance limitations to Lap-Top users:

Lap-tops continue to be stolen from cars and vans. The material cost of replacement may be modest, but the hassle factor for employer and user is likely to be high.

Firstly, we recommend checking your policy to establish :

- If your policy excludes theft from vehicles altogether (if so, either get your broker to negotiate extended cover or change insurers).
- If your policy gives limited cover. For example, theft from unaccompanied and locked vehicles subject to the lap-top being secured in a locked boot and out-of-sight (so the rear cover must be in place in an estate car or hatch back).
- If theft of lap-tops from vehicles parked overnight is excluded (it normally always is). Employees would need to remove any lap-top to their home or hotel room if working away.

Secondly, we advocate:

- Communicating insurance limitations to lap-top users within the business, possibly as part of overall IT policy. Some employers will supply two copies of this communication; both to be signed by the employee, one copy to be retained by the employer.
- Reviewing back-up procedures for lap-tops (which sometimes gets overlooked); consider using stand-alone devices or synchronising the back-up of lap-tops to an office-based server.

3. Don't overlook what is not insured:

Before next renewal, challenge yourself (and colleagues) to identify the following events:



"Events that would put us out of business" Example: destruction of customer site by fire caused by blow-torch: your policy invalidated by "heat warranty".

"Events that would hurt but not destroy us" Example: damage or theft of stock or plant in the open at your premises.

Share this knowledge with your insurance provider: ask what would be covered and what would be uninsured? Use the answers wisely: vow to make non-insurance a conscious decision rather than allowing risks to be uninsured through lack of knowledge or error.

4. Consider non-insurance solutions:

Many organisations will employ non-insurance solutions to manage risk: a good insurance adviser will work with clients to establish practical measures to contain risk, whilst still protecting the business and avoiding major cost fluctuations.

5. Review security annually:

Has anyone left your employment in the past twelve months? Do alarm codes need changing? Are out-of-hours numbers up-to-date? Should you consider Tracker devices for plant to combat theft and mitigate premiums? Should lap-top safes be installed for vans? .

6. Carry out a fire risk assessment of your premises

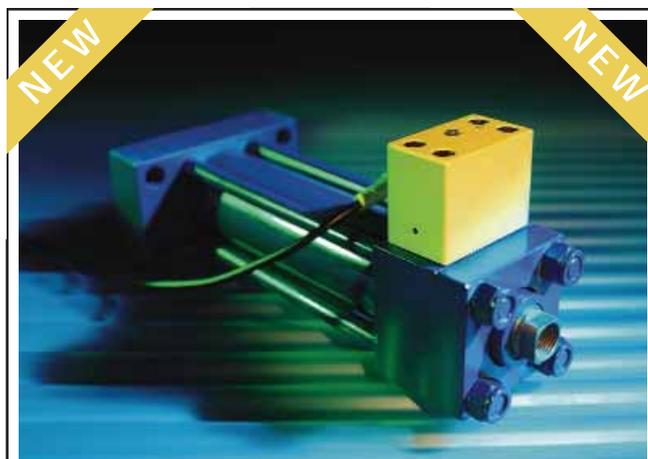
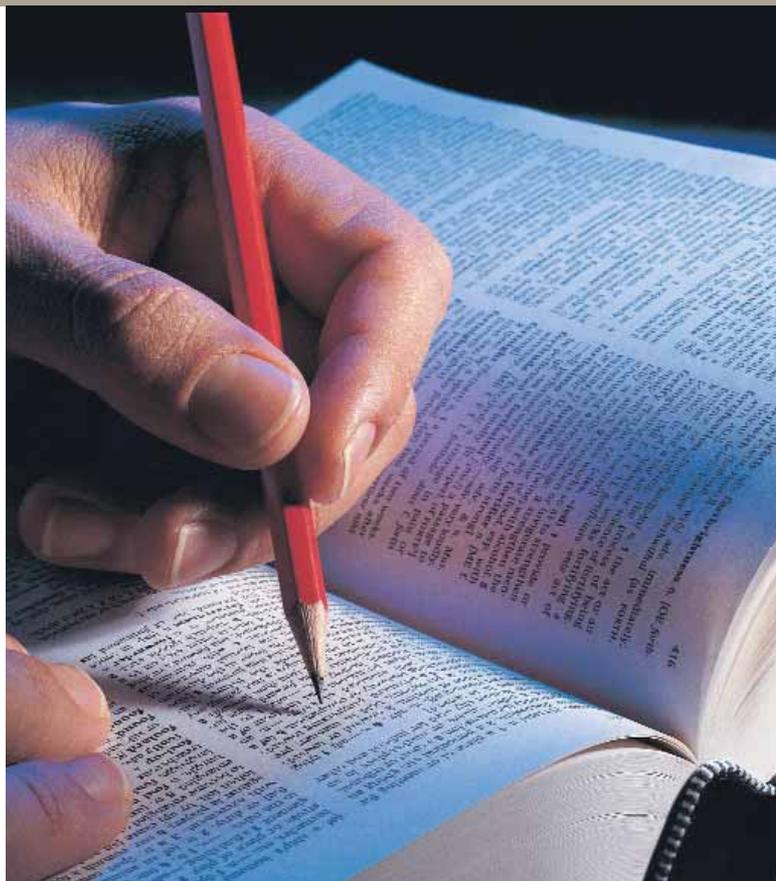
A legal requirement under the Fire Precautions (Workplace) regulations 1997 and shortly to be reiterated in the Fire Safety Order 2005, effective from 1st October 2006.

7. Review (but not rewrite) your H&S policy every year:

Issue to all employees and make sure they sign a copy for your files.

8. Include us in your thinking:

Country Mutual Insurance Brokers will be changing its name to Towergate Risk Solutions on 1st October. Members will be receiving our new brochure and full details in the autumn. If you would like a discussion before then – and you would prefer to deal with a broker that with specialist experience of your industry – please contact us initially as below.



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Are **noise** and **vibration** problems at your workplace?

The problems

Noise

The hearing of over 1 million employees in Great Britain is at risk due to noise at work. Forging, pressing and stamping are recognised as jobs likely to involve high noise levels.

- Noise is part of everyday life, but loud noise can permanently damage hearing.
- Very loud or explosive noises can cause instant damage.
- Generally hearing loss is gradual. By the time it is noticeable, it is probably too late.
- We all suffer hearing loss as we get older. Noise at work will make it worse.
- Young or old, once hearing is lost, it will never come back.

Vibration

Hand-arm vibration (HAV) is transmitted from hand-held tools, common in many engineering processes, into workers' hands and arms. Around five million workers are exposed to hand-arm vibration in the workplace. Two million of these are at clear risk of harmful effects.

- Regular and frequent exposure to hand-arm vibration can lead to permanent health effects.
- Symptoms may appear after only a few months of exposure, but in some people, this may take a few years.
- Symptoms are likely to get worse with continued exposure.

Case studies and solutions – 'practical steps for industry'

Examples from forging, pressing, and stamping, and other heavy industries with similar noise and vibration problems, can be found on HSE's Noise and Vibration webpages, along with practical solutions for minimising exposure. These include:

- Sound Solutions Case Studies
- Controlling noise in a press shop at <http://www.hse.gov.uk/noise/soundsolutions/ss12.htm>
- Rubber damping landing chutes at <http://www.hse.gov.uk/noise/soundsolutions/ss13.htm>
- Pneumatic impact press noise reduction at <http://www.hse.gov.uk/noise/soundsolutions/ss3.htm>
- Alternative processes to avoid / reduce use of vibrating equipment, and suggestions for management of HAV risks where use of vibrating equipment is unavoidable, at

<http://www.hse.gov.uk/vibration/hav/campaign/foundries.htm> and <http://www.hse.gov.uk/vibration/hav/campaign/fabrication.htm>

Key messages – preventing and controlling exposure

- New regulations have been introduced over the past 18 months to better protect workers from exposure to noise and vibration at work.
- The Control of Noise at Work Regulations 2005 replace the Noise at Work Regulations 1989 and reduce the noise levels at which hearing protection and hearing protection zones should be provided (85dB), and for risk assessment, information and training (80 dB). There is also a new exposure limit value of 87 decibels, (with hearing protection), above which workers must not be exposed.
- The Control of Vibration at Work Regulations 2005 introduce an exposure action value of 2.5m/s² A(8), at which employers should provide measures to reduce exposure, and an exposure limit value of 5.0m/s² A(8), which should not be exceeded.
- Elimination of noise and vibration should be considered first, e.g. by process change or engineering measures.
- Where risk can't be eliminated, look for the lowest risk machinery and tools, i.e. low noise and low vibration. Suppliers have duties to design quiet and low vibration machinery, and to supply useful and relevant information on noise and vibration.
- Carry out health surveillance to identify signs and symptoms of noise and vibration exposure at an early stage, as this will allow prompt action to prevent the health effects becoming serious.

Further information

HSE's noise campaign includes work with suppliers of presses, and other engineering machinery, to ensure that low noise designs are available and adequate information is being supplied. Further information on the noise campaign can be viewed at <http://www.hse.gov.uk/noise/index.htm>

Work is also being carried out with suppliers of powered hand tools, to improve the provision of useful risk information. Further information on vibration (including a vibration calculator) can be viewed at <http://www.hse.gov.uk/vibration/index.htm>

Risk management



Risk management should be part of every CBM member's operational strategy - regardless of size. The Health & Safety Executive will just as willingly prosecute a firm employing a dozen people as an international organisation for any major non-compliance.

The CBM has teamed up with Midland-based WG Risk Management Services to ensure that members can receive a wide range of health, safety and environmental consultancy services and training. Director Rob Wright - our official health and safety consultant - has tailored the various packages on offer, to ensure they can meet the needs of the most cost-conscious company.

"It is possible to combine quality with value. In

the last sixteen years I've worked with some of Britain's biggest companies and some of the smallest, so am well used to working inside all budgets," he says.

Rob began his career in the speciality chemicals industry, as a health and safety officer with Birmingham-based Wm Canning, and went on to become the RoSPA's head of training. He also spent eight years with EEF West Midlands, spearheading the development and delivery of its ISO 14001, OHSAS 18001 and IPPC consultancy services.

The companies Rob has worked with include British Gas, British Telecom, Corus, DHL, Exel, Federal Mogul, GKN, ICI and Securicor.

"You soon realise that, although bigger companies have much more complex structures, they face just the same health,

safety and environmental issues as an SME," admits Rob.

"They have to operate in a way which meets the demands of legislation covering their industry, to establish a safe and secure environment for employees, and also to ensure they don't do anything to harm the wider environment."

Rob will be chairing the CBM Health, Safety and Environment Group, the first meeting will take place at the National Metalforming Centre on 31st October 2006. Anyone interested should contact CBM on 0121 601 6350.

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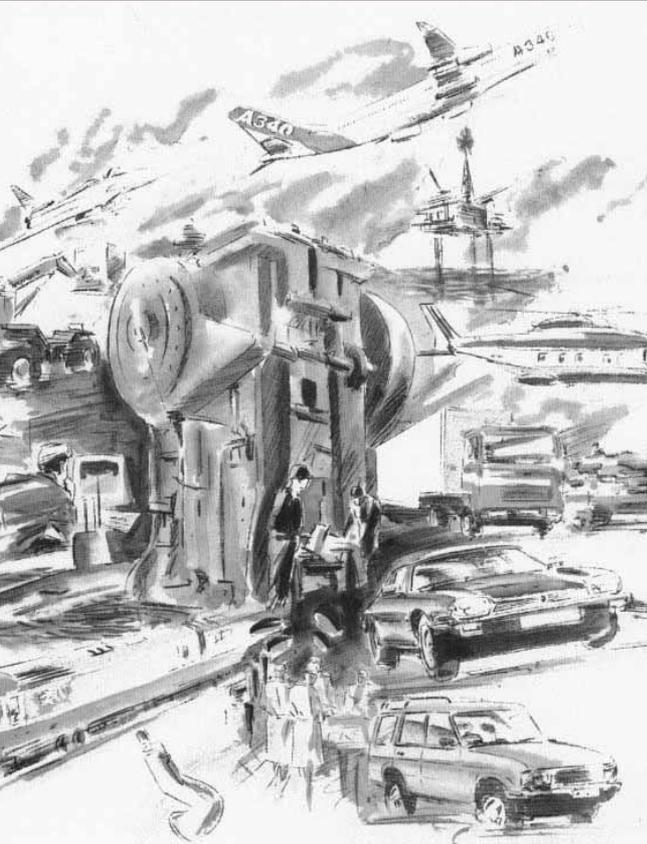
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International Institute of Forging Technology

f o r g i n g s



The International Institute of Forging Technology has established both its membership and a solid reputation for expertise. Its founders saw its main aim as the promotion of new technology within the global forging industry.

Creating networking opportunities has been another key element of the institute's activities. Now its newly-elected chairman, Dr Mike Dickinson, believes the time is right for the IIFT to move to a higher level.

"I think the research done by ourselves and our members, and the database we have accumulated, has helped demystify new technology," he says.

"We now need to take a higher profile, and to promote our ability to help companies realise the full potential of currently available technologies."

"We are currently in the process of revamping our web site, to significantly increase the amount of data that can be accessed online, and also set up Internet forums to improve our appeal to existing, potential and international members."

The IIFT organises a programme of 'Teach-in' forums and plant visits to forging companies.

"The events are always very popular, offering opportunities to meet individuals from other forging companies in an informal environment," says Mike.

"Members come not only from forging companies, but also from suppliers to the forging industry as well as

customers from aerospace, nuclear, and automotive industries, so you meet a very wide cross-section of people."

"Despite forgers' historic reputation for preferring to keep their secrets, it is surprising just how many companies are willing to talk to our members about their operations."

It is a major concern that the average age of its members is over 50 reflecting the make-up of workforces throughout the forging industry.

In the wake of recent mergers and acquisitions, especially throughout Europe, the industry is in danger of losing its core technology and research capabilities as experienced staff are not replaced by younger engineers.

"We as an organisation, and forging companies in general, must attract more people in their 20s and 30s, by making them realise just how enjoyable and satisfying a career in our industry can be," says Mike.

"Most people still think of forging as something of a black art, which takes place in conditions that haven't changed much since the Industrial Revolution," admits Mike.

"We have to make them understand that it is a fast-changing industry, and one of the biggest suppliers to such hi-tech global industries as aerospace and automotive, and even the space programme.

We are keen to receive applications from younger engineers and technicians in the industry, and hope to support them with our programme of Professional Development activities.

www.iiftec.co.uk



Global market

Steel Business Briefing's latest Global Outlook report reveals continuing strong demand for flat and long products in the US, in emerging markets i.e. Russia and Brazil and some European countries

i.e. Germany. This has been countered globally by a weakening Asian market where, although crude steel production grew by 13% year-on-year in July, demand is still subdued and prices have weakened in the region as Chinese export prices have fallen.

UK market

The major price movements by Corus so far in 2006 have been in structural sections (+£120/t since January) and reversing mill plate (+£110/t since March). Increases for other product groups have been less spectacular although Corus has signalled hikes of up to 10% for Q4 deliveries of long products and – hot off the press – has also said that it will be increasing Q4 flat prices by £25+/t. Long product stocks, especially in sections, are “fragile” – the situation with flats is a little better although ex-stock plate availability is poor and there are still some gaps in hot drawn galvanised coil (HDG) products.

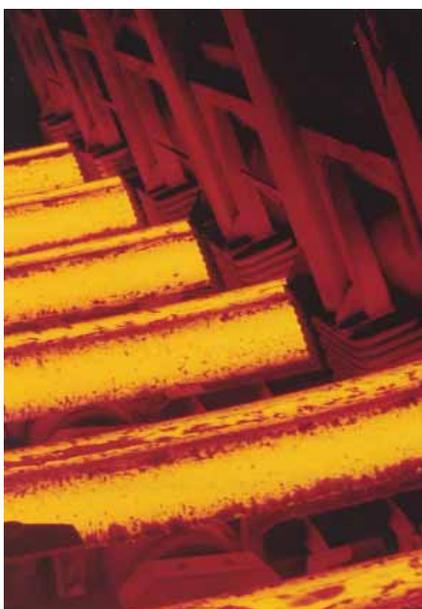
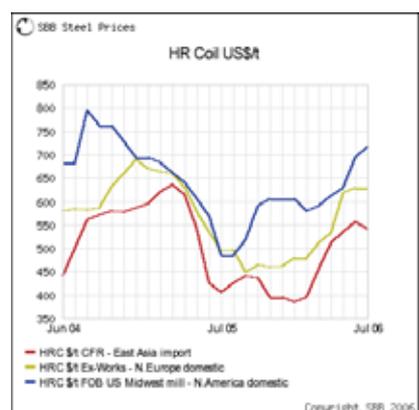
Outlook

In the US there is sentiment that prices may have peaked, confirmed partially by recent results from SBB's Steel Index, which found that some hot rolled (HRC) and cold rolled (CRC) coil invoiced prices in the US Midwest

had fallen in the first week of August. In mainland Europe, although Q4 price increases of around €30/t (£20/t) for flats have already been announced by major mills, Steel Index also found that HRC and CRC prices had lowered. Strong global demand for long products should mean that prices will stay firm into Q1 2007. The global supply situation for tube, both seamless and welded, continues to be fragile with long production lead times and accordingly firm prices.

www.steelbb.com

SBB Steel Price Indexes		Jul 06		
Jan 2000 = 100		Change Jun - Jul 06		
Index	Value		Change	%
Europe				
Flats	174	▲	+1	0%
Longs	200	▲	+5	+3%
Asia				
Flats	191	▲	+1	0%
Longs	209	▼	-11	-5%
N. America				
Flats	199	▲	+4	+2%
Longs	191	▲	+5	+3%



Gas Fired Furnaces – Business Opportunity or Millstone?

Traditionally gas fired furnaces within the Forging Industry have received little attention in terms of investment or maintenance. The base furnace shells may have been constructed in the 60's or 70's, with continual repairs to brickwork. Combustion systems are typically 20 years old with many of the control and safety systems inoperative but still functional in delivering heat. A typical heat balance for a furnace operating on a 10 to 12 hour per day shift is presented below.

There is very little that can be practically achieved with the heat absorbed by or lost from the structure. Lightweight refractories struggle within the harsh forge environments (vibration, scale, abrasion and thermal shocking). Ceramic

fibre has H&S concerns combined with brittleness and shrinkage at high temperatures.

Improved fuel air ratio could reduce flue losses by up to 5% however oxygen within the furnace may occur due to lack of pressure control ie air ingress at low fire. Poor linkages, PID settings and burner settings understandably contribute to poor results, with the typical age of combustion equipment within the UK having a significant bearing.

The only sensible way in which a quantum leap in performance can be obtained is by the use of recuperative or regenerative burners. Normally capital cost and space considerations preclude the later but the use of self recuperative burners (SRBs) can save between 25 and 30% of the furnace gas bill by returning a significant proportion of the waste flue gas heat as

preheated combustion air. In addition SRBs automatically improve furnace pressure control as gases are extracted in proportion to the combustion products supplied and the fuel/air ratio is usually improved with the advent of new equipment. The payback period on this equipment really depends on hours of use eg 5 days continuous will result in less than a 2 year payback, whilst a single shift extends the payback closer to 4 years.

Independent advice in this area can be gained through organisation like the Carbon Trust (www.carbontrust.co.uk even possible interest free loans are available to SME's) or using your own consultants to ensure the most appropriate practical solution is arrived at.

Tony Parton
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energy



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- Process line speed improvements (Increasing tonnes/h)
- Maintenance cost reduction (Pumping & Compressed Air)

CR+ not only identify projects, but produce designs & specifications, together with project management and post implementation/optimisation services.

Cost Reduction services are tailored to suit your needs using Carbon Trust support if appropriate, fixed fee, day rate, savings partnership or combination.

We deliver savings not just talk about them. Ask for references!

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