



Part 2

A Global Business: The Group since 1988

Strategy

The strands for the future of the business had been laid down under Geoffrey Durrans – diversification, but always within the core business of carbon, and the further development of overseas markets. What was needed was a gear change in this approach as the company’s traditional UK markets continued to decline.

During the last five years of Geoffrey Durrans’ leadership, the Group continued to invest in improvement and expansion. In 1989 a badly needed new entrance road was created at the Penistone site, along with additional storage facilities. Two years later the UK business also obtained the international quality mark ISO 9000.

In the early 1990s the opportunity arose to realise the Group’s long-held ambition to start manufacturing in Germany. Carl Dellman KG was a well-established family company, which had relocated in 1956 from its original base in Cologne to Willich, where it produced powder blackings and refractory coatings. Dellman was an attractive proposition for Durrans not only because it was a competitor with an established market in Germany, but also because it had already successfully entered the French market. After the acquisition was completed in November 1991, Durrans used Dellman’s former premises to begin making its own products for the German and other European markets. Durrans also developed the

site as a European distribution centre, selling its existing warehouse. In 1993, to help Durrans break into the German automotive foundry market, the German company achieved the DIN EN ISO 9001:2000 quality mark. (This would be upgraded in 2010 to the DIN EN ISO 9001:2008 quality mark.) This was crucial for winning business at a time when the European economy was in recession.

Geoffrey Durrans stepped down as managing director in 1993. His four sons, having discussed the succession, unanimously agreed that Christopher Durrans should take over as chief executive. This was a landmark event, not only placing huge trust and responsibility for directing the future of the family business on his shoulders, but also giving him the confidence to do so. Christopher Durrans would later take over the chairmanship when his father finally retired from the business.

Christopher Durrans had a clear vision for the future of the company. The shrinking of the company’s traditional UK markets, and the closure of many UK coal mines, determined that the Group had to become even more outward-looking if it was to continue to grow. The same factors also meant that the company now had too much UK capacity and needed to rationalise its UK operations.

Any expansion, however, would be firmly centred on the Group’s expertise in carbon processing and the manufacture of refractory coatings. Christopher Durrans was confident

that the Group could exploit new specialised markets, such as friction, lubricants and refractories. He believed this could be achieved through a combination of organic growth, acquisition and joint ventures.

The implementation of this strategy would transform the Group. Over the next twenty years turnover would increase in real terms more than two and half times, rising from £17 million in 1993 to £68 million in 2013. With enhanced technical support, and significant investment in new manufacturing plant, the Group would establish unique production in five countries, the UK, Germany, South Africa, China and India. The Group would become a worldwide leader in its field, with more than half its sales coming from outside the UK.

UK and Europe

The Group began to overhaul its UK operations. Work began on modernising the plants for manufacturing coatings at Penistone with the building of a new coating factory in 1995. This was followed in 1996 by the beginnings of the rationalisation of the Group’s coal business, with the transfer of all production from Grimethorpe in Yorkshire, after the closure of the colliery there, to Bilston in the West Midlands, which was also much closer to Durrans’ major UK customers.

Bilston would become the company’s centre of excellence for coal-based products. Bilston’s Deepfield works concentrated on the specialised grinding of selected grades of coal

The Bilston Works in the West Midlands





and anthracite for a wide range of industries. The company was already well-known for its expertise in drying and grinding high grade coal for making high quality castings in the foundry industry. To maintain this reputation, Durrans continued to invest in new facilities and equipment, process control and monitoring systems. Anthracite is supplied for use as a reductant, colorant and packing material. As throughout the rest of the Group, working closely with customers to meet their demanding specifications was crucial. Bilston's expertise in this field is widely recognised, and trials are often held with test coals for power stations worldwide, pulverised fuels for industry and dedicated blends for customers. Bilston also exports coal-based products to emerging economies, such as India, South Africa, Malaysia, Thailand and the Middle East, where it is used by foundries making high quality castings as an additive to sand to give a finer surface finish.

Another key event for the development of the Group in the UK came in 2002. This was the acquisition of PMC Carbon, subsequently renamed Carbon International. PMC had been a UK rival of Durrans. The company's initials stood for the Pitch Marketing Company, and it had started life as the trading division of a parent company making coking ovens for steel plants, selling the pitch residue from coking plants.

It was the relationship between PMC and Conoco's new petroleum refinery at Immingham from the late 1960s that gave a major boost to the business. The standard

coke from the refinery had such a high carbon content that PMC began processing this carbon and supplying carburisers for the iron and steel industry. With the acquisition of a processing plant in Scunthorpe, the company changed its name to PMC Carbon.

The site expanded along with the range of carbon products and by the mid-1980s PMC Carbon had turnover in excess of £20 million. A management buy-out of the business from the parent company was completed in 1989. During the 1990s PMC Carbon competed strongly with Durrans, and in 1994 a graphite machining plant was started at Scunthorpe. But ill-judged investment in a separate part of the business created serious financial problems.

For Christopher Durrans, the carbon processing side of PMC Carbon was a natural acquisition for the James Durrans Group. In particular, it would solve the need he had identified for additional processing capacity, and help to rationalise the Group's UK production facilities. An initial bid for PMC Carbon was rejected but the continued deterioration in PMC's performance led Durrans to make another bid in 2001. On 6 April 2002 the Group took over the assets of PMC's carbon processing business in Scunthorpe and changed its name to Carbon International.



Christopher Durrans' younger brother, James, was an enthusiastic supporter of the bid. He was deeply involved with the engineering side of the business and played an important role in supervising

the installation of new plant. Sadly, he died suddenly in April 2000 at the early age of 37. His death deeply affected the family and everyone who knew him.

James's death highlighted the need for the Group to press ahead with the bid for the Scunthorpe business, not only for the reasons the bid had been made in the first place, but also because it would strengthen the Group's senior management, in particular by bringing in the expertise of its directors David Holden and David Chilton.

Becoming part of the James Durrans Group brought immediate benefits for Carbon International, which in recent times had been starved of investment by its parent company. James Durrans invested in the refurbishment and modernisation of Carbon International's existing facilities as



well as in new buildings, equipment and stock. The Scunthorpe site was extended in 2007 by leasing an adjacent property for

David Chilton (left) & David Holden



The Scunthorpe Works of Carbon International in Lincolnshire



Recarburisers for the iron and steel industry are still an important part of the Group's output



Raw materials under cover at Carbon International's Scunthorpe site

much needed storage and loading facilities. The Group concentrated petroleum coke production at Carbon International while Scunthorpe's greater capacity boosted the Group's purchasing power for all coke supplies. In addition, the plant's location close to the port of Immingham, and the Conoco refinery, had significant

logistical advantages.

Taking over Carbon International helped the Group to press on with the rationalisation of its UK production facilities, based on fewer, larger, specialised sites. Subsequent further rationalisation would see the disposal of the company's transport operations in 2008.

Carbon International's core high volume, low margin business remained the supply of petroleum coke products to a diverse range of customers. Recarburisers for the iron and steel industry still formed an important part of production, but so too did bulk carbonaceous feed stocks, such as bespoke materials used as reducing agents in the production of titanium dioxide, a whitening pigment found in many items, such as paint and plastics, and as a colorant in glass manufacturing. Carbon International also began to develop overseas markets via joint ventures.

Sourcing raw material of consistently high quality was vital for Carbon International (and the Group) and building strong long-term relationships with suppliers was extremely important. At the time most of the plant's petroleum coke supplies came from Conoco's Immingham refinery, but this changed over time, and today some 65 per cent of the plant's requirements is imported from a variety of overseas sources, including the US, China, India, South Africa, Japan and Norway.

As well as bulk petroleum coke manufacturing, Carbon International's output embraced other specialised manufacturing. The company operates seven manufacturing plants on its Scunthorpe site, producing a full range of carbon-related products from high volume specialised materials to machined graphite components. This includes the production of pellets from fines, turning fines, too small for commercial use, and a potentially unwanted part of the carbon processing cycle, into a profitable item.





The Durrans Group supplies machined graphite components to the furnace, glass, chemical and heat treatment industries

Another specialised area was the machining of graphite components. This division of Carbon International began to grow following the appointment of Tim Edwards, a manager with specialist expertise, in 2005. Under Edwards, the machined components division ventured into more diverse markets, supplying everything from a single plain plate to tailor-made precision-machined components for the UK furnace, glass, chemical and heat treatment sectors. Buildings were extended and more machinery added. One of the

distinguishing features behind the success of the division was characteristic of the whole Group – close personal relationships with customers, helping to develop products designed for their specific requirements. Cutting, turning, milling, finishing and final inspection gave the division the flexibility to turn around an order within 24 hours. As a result, the division processes small orders that larger rivals find unprofitable. By 2013 the division accounted for five per cent of the Group’s business, and has still more potential.

Marconite, another specialised item, was also manufactured at Scunthorpe. It had been developed in the 1970s in conjunction with the Marconi Company, hence its name, as a carbon-based conductive material for earthing sensitive electronic communication and defence systems. Marconite has a variety of applications worldwide, and, for instance, forms part of high speed broadband networks and power generation plants in the UK, mass transit systems in Malaysia and solar power farms in the Middle East. The rapid rise in the price of copper in recent years led to Marconite’s more widespread adoption as a covering, since it also offered additional security and acted as a deterrent to theft. With the continuing development of health and safety regulations around the world, Marconite will remain in demand.

A new range of petroleum coke products was developed at Scunthorpe under the Cathonite name. Cathonite is designed for use as a packing with impressed current cathodic protection systems, where there is a need to protect electrodes from corrosion. Cathonite products can also be applied to protect large concrete structures, such as bridges.

Another consequence of Carbon International’s acquisition was the concentration of metallurgical coke production at the Group’s Brancepeth drying, milling and screening works. As well as supplying a broad variety of industries, Brancepeth also supplies the Penistone works with all its metallurgical coke powder for making blacking and coatings.

The Brancepeth Works in County Durham

