

## Maintenance – Siveco China



Bruno Lhopiteau, General Manager of Siveco China, came to China in 1997, helped set up preventive maintenance at a joint-venture paper mill in Suzhou. In 2004, the accumulated experience allowed him to start his own maintenance consultancy business - Siveco China.

What is the nature of your business, and how long have you been in this industry?

We run maintenance improvement projects for owners or operators of industrial plants, infrastructural projects, or large multi-site real estate sites. Over the years, we have become the largest maintenance consultancy company in China - a market still largely immature, but with huge potential. Key to our business is the use of high-technology to support best operation practices: In 2008, we set up an R&D centre in Shanghai, focused on mobile computing. I have been in this industry ever since I started to work. As far as I know, I am the longest serving expat in this field in China.



What are some of the nuances of this industry within China's operating environment and, perhaps more specifically, in western China?

China has some unique features that I have come to call "maintenance with Chinese characteristics". Massive investment in large industrial and infrastructural projects has created a huge need for maintenance expertise, not just labour. In the past few years, increased government scrutiny and media coverage of various accidents has also helped increase awareness of maintenance, but the knowledge or skills gap is absolutely enormous. Large-scale projects, modern automated facilities, lack of management and technical resources - the issues we face here are very different from those in Western countries. This is why we have developed a specific approach to address the needs of the local market, more particularly in greenfield projects. In many ways, we are - or China is - inventing new ways to manage maintenance. All this is even truer in the western provinces of China.

How are you and your company working to develop in this part of China?

Our customers are located all over China, but we initiated a dedicated "Go West" strategy in the middle of 2011. We now have large customers in Guizhou, Sichuan and Ningxia. We have set up a team, operating from Chengdu in Sichuan, covering the region together with partners. It has been a very exciting experience, as we found companies in those provinces to be even more open to using high-tech to improve their maintenance, with excellent results.

What is the most important project you have taken part in since being in China? Can you tell us something about it?

Before starting Siveco, I worked on well-known power projects such as the Three Gorges hydropower plant. Recent projects in western China include setting up the maintenance system for Hanas New Energy's LNG plant in Yinchuan in Ningxia. The plant - the largest of this type in China - will soon start operations. We have also cooperated with the Northwest Electric Power Design Institute in Xi'an for delivering the maintenance documentation for a gas turbine power plant built by a Chinese EPC in Malaysia. Both projects allow the plant owners to manage maintenance from day one onwards, while all technical data and routines are in place and their personnel has been trained. In Sichuan province, we have implemented a mobile inspection system for Lutianhua Chemicals - a producer of fertiliser - which has achieved tremendous reliability improvements. In all projects, we provide follow-up services with regular audits and support on-site.

What have been some of the most important aspects of doing business in western China?

We have focused our western China strategy on partnerships. As part of our "Value-Added Partner Program" we team up with both local and international players, who may be experts in a specific industry, or have a strong presence in certain target areas. This has proven quite successful in Sichuan already. Another important aspect is promoting innovative and high-tech solutions, perhaps even more than we do in more developed parts of China. In the more developed areas companies tend to copy Western models, which often means trying to set up your maintenance organisation before you start using technology, then using technology to increase efficiency. This is almost impossible in western China, due to a lack of experienced resources. On the contrary, the introduction of technology can be a powerful catalyst to build your organisation: This is the key to my business

and has proven extremely successful in China. We found, perhaps surprisingly, that companies in remote parts of China are more open to such a new approach.

What lessons have you learned since working in China?

I have been here for a long time and keep learning every day. By working here with our clients and partners, we are literally inventing new ways to manage maintenance. Many of our local customers - while lacking the long industrial history of the large multinationals and experiencing acute shortage of expert resources - have already achieved more advanced maintenance setups. We already use this know-how for overseas projects, where we team up with Chinese EPC and design institutes, particularly in Southeast Asia and Africa. I have become totally convinced that we are inventing the maintenance of the future, which explains our heavy investment in local R&D. Both technologically and in their applications, the solutions we develop in China are far ahead of what is done in Europe.

How have you found the local government to be in terms of responding to some of your issues and needs?

For us, government support has been mostly indirect. As the largest investor, the government is keenly aware of the need to preserve the value of its assets over time. The various agencies operating power projects, metro lines, etc. have already accumulated a lot of experience thanks to the sheer scale of their facilities and their fast expansion. For more than 10 years now, the government has also been promoting using information technologies as a shortcut for good practices - they don't use those terms but that's what it is. We are starting to see these efforts pay out.

What sort of outlook do you see for your company in the future?

As far as western China is concerned, we are increasing our investment: We are expanding our team in Chengdu, and are becoming active in various provinces to develop new partners and customers. I will personally spend more time in the region. New projects are already in the pipeline, and we expect to see results by the end of the second quarter. Our primary target industries include energy infrastructure and process plants, but we will also consider other types of plants, as well as large real estate projects. We preferably target projects during the early construction phase, as this brings the most Return on Investment potential, but we also have the expertise to work on existing facilities.