

VIEW FROM THE TOP

**HENK MEIJER • CEO,
MERCON GROUP**

HENK, TELL US SOMETHING ABOUT YOUR BACKGROUND AND HOW YOU CAME TO BE AT MERCON

I started at Mercon in September 2017. I have a long track record – 26 years – of developing companies along new roads to success. But, despite successes in the past, every new challenge is a new story and a new quest.

Most of my experience has been with manufacturing and technical service companies, most recently with a high-tech gearbox manufacturer in the Netherlands. It is logical, being an engineer, that those kinds of company have been my destiny.

I am also happy to have had the opportunity to earn some extra degrees during my career, in areas such as business economics and business management. That extra load of knowledge was really a blessing in the development of my career – I have had a lot of joy and satisfaction at every step on the career ladder.

WHAT ARE THE BIG CHALLENGES FACING A COMPANY SUCH AS MERCON RIGHT NOW?

Companies like Mercon and others in the steel construction industry are characterised by a low level of development over the past decades. A main reason for that has been simple economics: for decades manufacturing has been moving to countries with low labour costs.

So, in western Europe, we have sacrificed our manufacturing infrastructure for temporary economic reasons. We now face the fact that even simple maintenance of industrial assets is not sufficient due to a lack of technicians, welders and other skilled workers. For decades labour was not a big issue in terms of competition but, nevertheless, there are many areas in our industry that depend on human labour – and that includes storage tank maintenance.



Name: Henk Meijer
Position: CEO
Company: Mercon Group BV
Location: Gorinchem, The Netherlands

The industry has been slow to adapt to new technologies. There have been some early developments in the digitalisation of work processes, e-learning and welding robots, but we are only on the threshold of real restructuring in the sector.

The big challenge for Mercon is to find the best short-cut to adapt to the forefront of all possible new technologies, including digitalisation, the better use of scarce labour resources, and better and different relations with customers to work together to improve maintenance of their assets. This will involve clustering expertise into multi-disciplinary teams.

WILL IT BE EASY TO DRIVE THAT CHANGE? WHAT NEEDS TO HAPPEN?

If you are willing to make the step, you have to change the way that people work together. At the moment there are a lot of players in the tank storage arena, but their coordination is lousy. We have to coordinate all the engineering disciplines and realise that everyone has an important and equal role – for instance, at Mercon we do not talk about 'sub-contractors' any more; we see the companies we work with as 'partners'.

The world is always changing and we have to deal with our own powerlessness to affect the global economic situation. That's why we

need to work together rather than sticking to the old patterns of working.

This may seem radical to some – and I know I walk a little ahead of the average – but others are catching on now, and I'm happy about that.

CAN YOU GIVE US SOME EXAMPLES OF WHAT THIS MEANS IN THE TANK STORAGE SECTOR?

It's not about robots and it's not about digitisation – it's about taking a different approach.

For instance, I believe it is a bit stupid to leave all those assets in a tank farm unmanaged aside from an inspection every ten years. We must develop a better approach to continuous condition monitoring and make use of alternative methods of data collection. Sadly the types of sensor we need have not yet been developed, but it will come.

HOW DO THESE IDEAS FIT WITH THE NEED TO PRIORITISE SUSTAINABILITY IN THE INDUSTRY?

If you are doing things better and taking more care of your assets, of course it fits with the need for sustainability. But doing things better is also very good economically. That means it can release cash for efforts to develop alternative energy sources, for instance.

Look at what Shell has done at its Moerdijk plant: the company has improved its maintenance management system and that has generated cost savings; that extra cash has allowed it to install a solar power array, helping to reduce its energy costs. Those dots are not joined by 'normal' economic behaviour but applying the logic of sustainability will make the energy transition that is now being demanded.

YOU MENTIONED LABOUR ISSUES EARLIER; HOW IS MERCON ADDRESSING THEM?

Firstly, we have a training programme in place to attract and develop young people. Training used to be commonplace across industry but, unfortunately, it fell by the wayside in the mania of cost-cutting in recent decades – it was seen as a luxury, rather than an investment. But from a business point of view, focusing on cost-cutting is only a short-term solution and shows a lack of professionalism.

Secondly, we started our own subsidiary in Bulgaria – Mercon LLC - where the new entrants in technical and engineering jobs are much bigger in numbers and additionally it provides an extra, cheaper workforce to be flexible also on our home front.

We cannot manage away demographic change and if we do nothing to train young people we will be stuck with an ageing workforce. Now think about it: every new wave of economic growth has come with an increase in productivity. The only way to drive productivity gains is to energise the workforce; bringing in young people can do that.

At Mercon we have programmes in place to get older workers to bring on the young. We take on around six young people every

year and they challenge our older workers to do things better. They see new approaches to doing the same work.

AND WHAT ABOUT YOU? WHAT PLANS HAVE YOU GOT FOR THE NEXT FIVE YEARS?

It's more like eight years, as the government in the Netherlands keeps raising the retirement age.

But I'm lucky: every morning when I get out of bed I'm still enthusiastic about my work and realise that I'm fortunate to work with such good people. Moreover, it's fun to spread my ideology.

Welfare doesn't fall like rain from the sky – you have to work for it. I've got a few more years to make a difference.

