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Interview with Pat Laabs, President of Criterion Catalysts and Technologies

Pat Laabs became President of Criterion Catalysts & Technologies on August 1, 2003, as part of a company-wide reorganization. Here, he discusses what the company hopes to achieve as a result of the reorganization, his vision of where the company is headed, and his unique perspective on the catalyst business as a former refiner.



Q. What operational enhancements resulted from Criterion's recent reorganization?

Laabs: The key change we made was to organize our services by function - marketing, sales, technical services and supply - moving to a worldwide structure rather than regional. Our goal is to leverage our resources globally to get closer to our customers and to offer better, more, and more professional services. I believe this new approach will help us further hone our technical services - an area that continues to differentiate us to refiners. What won't change is that our customers will still have just one or two contacts to call when they need assistance - something I know is important to them. We also consolidated some of our capacity to focus on the technologies and services that bring the most value to customers - such as clean fuels.

Q. It sounds like the reorganization was about focusing on what you do best - what does that mean for your customers?

Laabs: It means we'll continue to design and sell catalysts customers can be absolutely confident in and which are backed by the best technical services in the industry. It also means they can continue to look to us for turnkey solutions - not just catalyst. Our unique relationship with Shell Global Services enables us to offer end-to-end, coordinated services for catalyst plus reactor and system design. So customers can get the simplicity of one-stop shopping with Criterion and Shell. Or, of course, we can work with their contractor of choice.

Another focus for us is in helping our customers make the best possible use of their existing assets. We've seen a lot of units, and we have catalysts that do a wide variety of things, so very often we can help refiners find ways to achieve their goals using their existing facilities. With every project we complete, we get even better at that.

Especially for customers developing low- and ultra low-sulphur diesel fuels - clean fuels - the difference between a revamp and a new unit is the difference between a \$30-\$40 million project and a \$100 million project. Working with Shell Global Solutions, we can develop the reactor systems and catalytic processes necessary for compliance, without new-build investment.

Q. Has the reorganization affected your R&D capabilities?

Laabs: Not at all, in fact, we continue to increase our R&D activities. I think our success in research is a key reason we're doing so well, maintaining something like

35% of hydroprocessing catalyst market share - so that's an area we will continue to fund and support. Bottom line: customers can continue to expect innovative catalyst technologies from us.

Q. You come from a refining background, how is that an advantage for you in your new position at Criterion?

Laabs: I've been in the refining and refining operations business for 32 years, 27 of those within the Shell family of companies. I've also been a customer of both Criterion and Shell Global Solutions. As a result, I understand what it is our customers want from us and, more important, what makes them money. For a refiner, profitability means keeping utilization high, keeping downtime low, making on-spec product every day, never having to reblend, and never facing surprises. With good catalysts and good reactor and distribution systems working together, all those things become easier.

I also know the pressure our customers face in regard to clean fuels. Staying compliant 100% of the time isn't easy. Blending restrictions are huge. Systems must run well and stably between turnarounds. Again, it's up to us to get them where they need to be.

Q. What are your immediate priorities for yourself and the business?

Laabs: I've only been here since August, so of course, one of my immediate priorities is to continue to learn the business. Beyond that, I want to ensure we continue to get even better at the things that have made us successful in the past – providing good catalysts whenever a customer needs it, backed by excellent customer service. When I was in refining, the customer service I got from Criterion really stood out. They were always there when you needed them, regardless of where a problem originated. I want to be sure we continue to build on that reputation. Looking to the future, we will continue to develop the technologies and capabilities that ensure our customers can lead the way in production of clean fuels.

Q. Criterion's mantra these days is "speed, confidence and success." Can you elaborate?

Laabs: In a nutshell, customers can count on us for quick results – whether it's by avoiding grassroots development in favor of a revamp or simply through responsive services. Customers can be confident that our catalysts and solutions will work. And we can point to many, many customer successes to back up our claims. I think those are the key reasons we continue to lead the industry in hydroprocessing catalysts and services and why we win something like 40% of all new business. With the quality of our catalysts and the truly outstanding service we provide, once we get consideration from a customer, we often get the business.