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Offshore Wind Involvement in the Supply Chain

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Entering the Offshore Wind Market

What do they need?

How will they procure?

Where do I fit in the chain?

and are they interested?

How do I gain access?

How can I increase my chance of success?



I am afraid that there are no easy answers



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What do they need?



- Components – nacelles, substations, foundations
- Materials – cables, scour protection, steel
- Services – diving, surveys, engineering, welding
- Offshore – Vessels, crews, maintenance
- Suppliers to all those suppliers



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How will they procure...

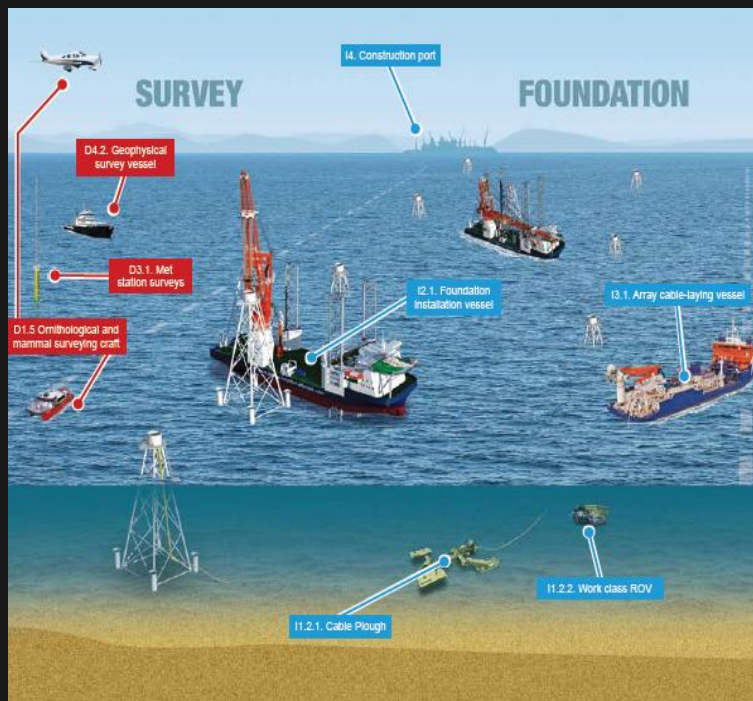
- Commodities – multi source
- Catalogue – distributor arrangements
- Make to Print – Dual / single source
- Design Win – Single / dual source
- Project Sourced – Contract manage
- Framework agreement – both parties have vested interests





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Tiers in the Supply Chain – where do you fit



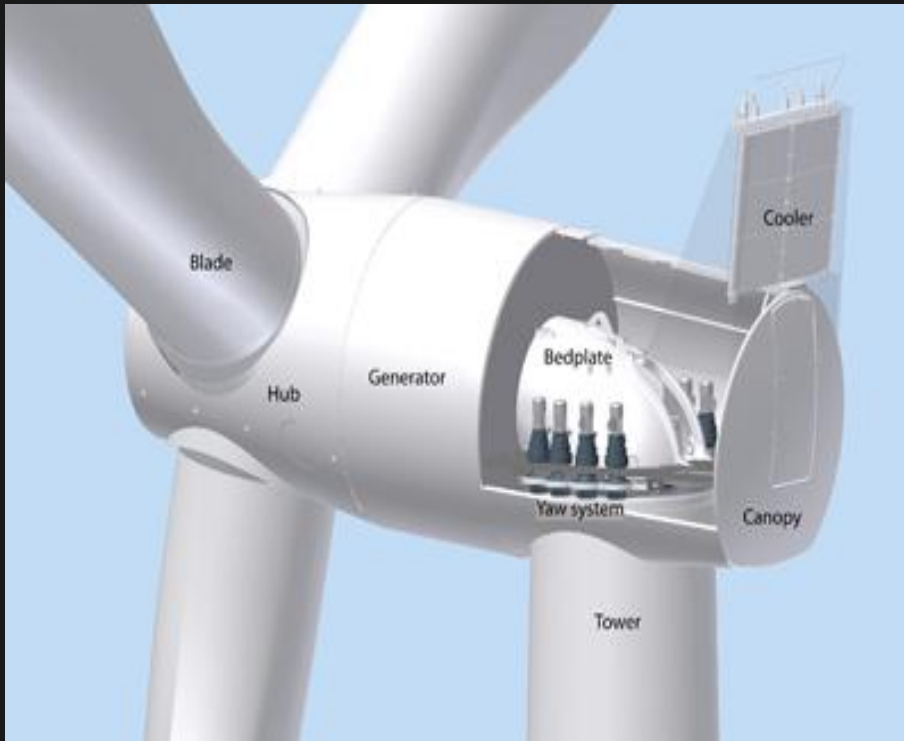
- There are two supply chain channels
 - The Developer and the turbine
- To supply a turbine OEM you may need
 - Large components, marine skills or a global capability; say 200 suppliers
- To supply a Developer
 - Wide range of services, structures, vessels– but only say 10 suppliers
- Both these supply chains include O&M



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Tiers of supply – and are they local?



- Developer will consider turbine OEM as tier 1 – both global
 - But each level can refer to its direct supplier as tier 1...
- Some Tier 1's bring tier 2, and they can source locally
- Tier 3, 4 and 5 will be local



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So are the OEM's Interested?



- Siemens had two supplier days here
- Alstom will hold one shortly,
- Gamesa had a three day Supplier Visit
- Developers hold meet the buyer events
- Some have supplier database – eg FPAL

- The difficulty is meeting tier 2, 3 and 4
- And different route to focus on O&M



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How do you gain access to your client?

- It is hard but you need to find where in the supply chain you fit
 - What do you make or do?
 - Take an interest in the industry
- Find out if your clients are looking
- Join a network e.g. AEM Yorkshire
- Look for specialist events and go





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How can I increase my chances of success?

- Understanding the industry helps
- Look at what you need
 - Support services you may need; offshore skills – so train
 - Make to print may need size or finish beyond your norm
- Recognise change from project to production – price accordingly





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Case Study A

- The leading supplier of turbine installation vessels
- 1999 spotted opportunity for transport & installation
- 1st vessel operating since 2004
- Two more in delivery phase
- Also support vessels etc

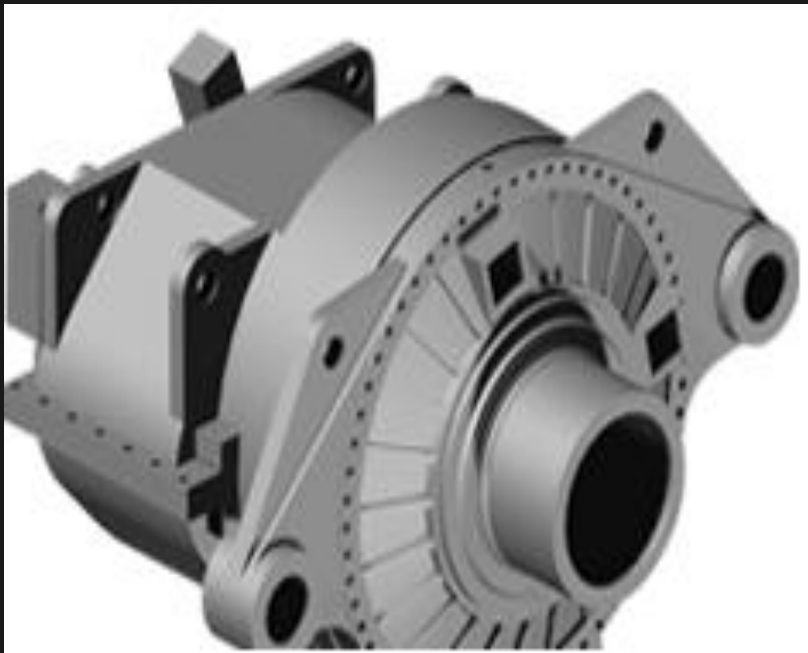




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Case Study B



- A manufacturer of assemblies
- Late entrant from top of market
- Tackled after market
 - Use experience to improve legacy product life
- Used experience to JV Asia for new market build
- Design select for new generation



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Case Study C

- A manufacturer of components
- Supplied Rail and construction
- Approached OEM's
 - No spec's so helped build up
 - Major supplier
- Systematically target next OEM





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Case Study D



- A supplier of engineering services committed resource to develop on existing capability
 - Project planning
 - Ground & wind analysis,
 - EIA surveys and reports
 - Grid connection, routes
 - Structural loading, vibration

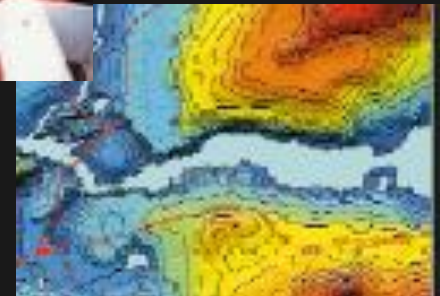


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Case Study E

- A supplier of environmental surveys and reports extended range in which they operate
 - Ornithology, benthic, infaunal, water quality, sediment quality, fish
 - Modelling and data analysis
 - Monitoring and surveillance





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Case Study F



- A company offering diving services recognised they could expand capability
 - 60 divers on one wind farm
 - Now offer Working at height
 - Restricted access
 - Extended equipment
 - Range of countries supported



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Case Study G

- A support vessel operator – recognised fishing works with wind now broker and vessel owner
 - Humber Gateway 900 vessel movements
 - 160 heavy & 160 anchor handling
 - 50 guard & 50 survey vessels
 - 500 crew transfer





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Case Study G

- A supplier of electrical services
 - Manufacture, but also large service support team
- Strategic Choice
 - Try to supply electrical panels
 - Try to win onshore service
 - Train service for offshore





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Conclusion

You have a huge market
so it is complicated

If you can be tier 1 let me know

Work out where you fit

New capacity will be needed

preparing now can help you be a part of it!



The breadth and scale of need makes it hard to be specific