Interview: Guenael Guillerme – CEO, ECA Group – France

The CEO of ECA Group, a company specializing in robotics, shares his hopes for the advent of a collaborative form of robotic solutions.

After spending 11 years with ECA Group and achieving tremendous results as CEO of the company, such as doubling revenues for instance, you decided to come back in February 2013. What inspired you to come back and which particular challenges did you want to address?

I realized that many challenges were yet to be unlocked in the field of robotics. Technological developments would for example soon enable us to build a collaborative form of robotics. We indeed aspire to have a group of robots cooperating together to conduct a mission independently. As of today, a company will use one robot for a given action, recover the robot, and perform a new action resulting from the discoveries made by this first robot. At ECA, we believe that these actions have to become fully automatized. For instance, we operate sub-sea robots, which are automatically put in water from unmanned surface vehicles. Certain sub-sea operations require ships dedicated to specific robots aside the main ship for inspection and survey during the whole mission. In the future, some of these ships will become obsolete as we will be able to operate with more advanced systems directly from the main ships. Our role is to provide these services for defense and commercial activities.

How has the company performed in terms of development and revenues in 2014? And how did you succeed in bolstering order intakes as mentioned in your report as your main growth driver?

In the last few years, our turnover has been quite stable. Our growth rate has only slightly increased last year. ECA has been dedicating considerable investments to introduce solutions, which will soon be unveiled. As a result, these efforts have not converted into tangible results. It usually takes us two years to design a new robot, two more years to earn the necessary certifications, and finally two additional years to optimize the solution for our clients. Our activity will grow considerably in the future because we have discovered new feasible commercial applications for each robot. The same sub-sea robot can be deployed to search black boxes but also be a the solution for cartography at the bottom of the sea for an oil and gas client. Our solutions stem from our relationships and experience with each customer. We have also expanded our sales and marketing teams in order to raise awareness on the added value of our products and solutions. We recognized that we weren't present enough in several countries, notably in Asia and the Caspian Sea and therefore tripled our sales force. Since some of our products need to adapt to the specific missions of our clients, we need to communicate their existence and explain the adjustment process.

ECA has long relied on external growth to expand. Is this still true today? What are you seeking when you acquire a company?

Our strategy usually implies the integration of new capabilities and skills. We are convinced that the future will revolve around collaborative robots as mentioned earlier. Thus, we have recently purchased the company Infotron to incorporate air drones, which enables us to offer a new comprehensive solution to our clients. For instance, our air drones can act as a relay of communication for the subsea world. This feature has proven to be very useful for the naval industry for instance. In the near future, a robot will be able to correspond and communicate with each other. Another motivation for external growth is to introduce services to support our products and solutions. We are also interested in joint ventures with companies which can provide their knowledge of the customers and their business expertise, while we bring the technologies and drones that can improve the cost-effectiveness of operations.

ECA is organized in three main departments: Robotics, Aerospace and Simulation, and serves several different industries. How would you define the importance of the oil and gas sector, and what are ECA's ambitions for the future in this field?

Most of our drone customers operate in the oil and gas industry. Oil and gas is confronted to issues linked to the

environment and issues linked to depth. Drones have become an essential instrument to the industry. Today, the industry relies on large ROVs, which are hard to manipulate. Although some ROVs will remain, others can be substituted with more advanced and cheaper systems. We have to be patient and work hand in hand with service companies to convince our potential clients. Furthermore, as safety prevails as a priority and undisputed value in the industry, it creates a wonderful window of opportunity. Our customers understand the benefit of our solutions but do not always grasp how they function and make them work within their organizations. Our success will stem from a joint effort between manufacturers, oil and gas companies and service providers.

When we met with Samuel Rocher from Cybernetix, we discussed the growing importance of robotics especially for the subsea world. What is your perception of the evolution of asset monitoring and safety and the role of unmanned solutions as the industry pursues activities in ever more remote locations and dangerous environments?

While our current AUV business is very slow, we are confident that it will drive our sales in the future for the same reasons raised earlier. We are working with service companies to prove the efficiency and cost-effectiveness of our products. We have performed various missions together with such companies and are inclined to continue. Current market trends are also encouraging us to further expose our products because the industry is finally concerned with savings.

We are deeply convinced that collaborative robotics will emerge in the near future. For example, when it comes today to pipeline inspection, a company uses a first robot to take sonar images of the pipelines, then process the data onshore after the mission and determines weaknesses, problems and flaws. Then they come back some time later with a new robot to assess the problems. This lengthy process can be overcome with collaborative AUV's. In the near feature, the first robot will detect a problem in real time and communicate with a second robot, which will in turn go directly where the problem was found and take pictures. With one ship and a few robots, we will be able to address the same issues within one same mission that are currently handled with several ships and taking long time.

Our solutions also respond to problems linked to the scarcity of vessels. Our challenge is to understand the needs of the customer and this is somehow not always easy because we are based in France, have no local industry, and are sometimes too far away from our customers. The complexity of the technologies we employ and our small size therefore encourage us to collaborate with many research institutes and universities.

ECA is present in 80 countries and draws 50% of its revenues abroad. Your financial report states that your order intakes were driven by successful results in Asia and in the Middle East. Is this valid for the oil and gas sector too? What are your next targets and which geographic areas constitute your main weaknesses?

Brazil and West Africa constitute our main addressable markets because our solutions are more useful in deep waters. We are already working on behalf of Petrobras and plan on expanding our collaboration. Although we have won a project in the Middle East in the defense sector, the overlap is limited and has not enabled us to expand in the oil and gas industry in this region – yet.

I would like to conclude by saying that our technologies have unlocked the potential of robotics and are ready to be used and help the oil and gas industry adapt to these new environments.

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