

Dresser Valve Division: Simply the Best



The Masoneilan 77000 Series Lo-dB multistep control valve designed primarily for high pressure compressible fluid applications. It effectively controls erosion, vibrations and high noise conditions. Specific applications are: Turbine by-pass and hot separate letdown.

It is no secret that Dresser Valve Division is up for sale*. Sale often spells turmoil for the company involved, concern for its employees and uncertainty for customers. In Voghera, however, DVD's managers remain unperturbed about the impending change in

ownership. "What is important to stress is that DVD is being transferred as a going concern. That's because the business as a whole is very profitable and our component companies are fully integrated, so there will be no cherry-picking or shedding of certain

The times are changing in the valve industry. Wherever you look, companies are experiencing the transformation pains of globalisation, consolidation or the shift to become solutions providers. One business which has taken these and other changes in its stride, however, is Dresser Valve Division (DVD). Avoiding turmoil, DVD has maintained strong profitability during the recession at the end of the nineties –excellent performance from a company which didn't even come into existence until quite recently. Intrigued about DVD's successful business model and the impact of its impending sale, *Valve World* visited its headquarters in Voghera, Italy.

parts. Our employees know this and I am sure that our existing clients realise this as well. So we are not afraid of the change but are getting on with our daily business – serving all our customers who need our valve products and services," explained DVD's President Salvatore Ruggeri. At this stage Mr Ruggeri referred to DVD's reference list, which indeed shows that it enjoys the patronage of the world's leading engineering companies and end users in the broader energy sectors. DVD can meet the needs of these demanding clients thanks to both its size and its wide product portfolio.

This encompasses all types of on/off ball, gate, check, plug and butterfly valves and actuators, in standard designs and conventional carbon steel grades as well as specially engineered and made of exotic alloys. Equally important is the impressive mix of automated control safety and safety relief models with the associated diagnostic equipment, micro-processor imbedded instrumentation, level instrumentation, and regulators. This wide range of products, and the associated highly reputed brand names, gives an immediate clue as to DVD's origins it is in

fact the result of valve company mergers in the second half of the nineties. Vice President Business Development Mr Piero Stringa: "A key moment in our history came in 1995 when Dresser acquired reputed companies such as Grove and Ledeen and merged them with TK, Texsteam and Wheatley, to form the Dresser Energy Valve Division (DEVD). By then, the valve business of Dresser Industries also included Consolidated and Masoneilan as members of the Dresser Valve & Controls Division (DVCD). These two divisions, each focussing on the upstream and downstream energy sectors were kept separate. In 1998, the same year that Halliburton and Dresser merged, DEVD and DVCD were combined to create

DVD. Almost simultaneously, we also incorporated five other companies of strategic interest to the new division, namely Valgro, ACO, FCE, Becker Precision and NIMCO. In one of these companies, i.e. NIMCO, we already had a substantial interest."

A merger is not always an easy process, as any company which has experienced one will know. In DVD's case, however, positive results were realized almost from the very start. Mr Stringa: "The mergers were well conceived, bringing together as they did companies with complementary skills and products. Also important is the fact that all

experts from within DVD as necessary. Clients see the benefits too, such as fewer points of contact, integrated valve and actuator combinations covered by a single warranty and a proven service for all their valve needs. Moreover, of course, we can offer interesting volume discounts. This process of cross-selling has only just begun, but has already generated a huge number of new leads for us!"

Project focus

Not only did the merger provide DVD with a significant tangible asset in the wide range

of valves, it also yielded an important resource in project management experience. Mr Ruggeri: "Even before the merger, Grove was providing clients with a wide variety of project management skills. This is because we were one of the first companies to realise how clients could benefit if they outsourced non-core tasks. Today we have successfully extended this capability throughout the DVD organisation, enabling us to provide clients with ei-



The training center of Dresser Valve Division. Americas Headquarters in Stafford, Texas.

From left to right:

Corwin R. Nelson, Vice President Manufacturing, Americas Operations
John R. Lenander, Vice President Sales and Marketing, Americas Operations
Stuart M. Brightman, President, Americas Operations
Ronald J. Manson, Vice President Engineering and Quality, Americas Operations

component companies had the same quality philosophy for their products— only the best will do. This meant that restructuring could be kept within reason. Division Director of Sales & Marketing Mr Ugo Ormezzano added that the vastly widened product range had a definite and immediate appeal to clients. "Right from the start our sales engineers noted that they could cross-sell each other's products to their own specific clients. So one of our priorities has been to train staff about all of DVD's 40-odd product lines. That is an on-going job. We recognise that sales engineers can never be experts in all valves and actuators, but they can give initial advice to clients about different flow control options and call in other

ther discrete products for MRO needs or more advanced packages of products and services for projects. As an example I could mention Petrobras' recent 2.5 billion USD Barracuda / Caratinga project, for which we are a key supplier throughout."

The 'extra skills' that DVD can offer include application engineering, whereby valves can be specified in-house to match given functional requirements, the bundling and fabrication of equipment to provide integrated flow control solutions, supply chain management for projects and even global life-cycle support for installed DVD valves. Mr Ruggeri: "We have moved far beyond the traditional concept of a valve manufacturer, who simply supplies items. Instead, we are trust-

ed partners to many of the world's top contractors and energy companies. With a widespread network of manufacturing bases, service facilities and sales office locations plus our applications expertise, we can support them in their global activities. To do this effectively on the world stage we have invested in innovative technology as well as e-business communications and interfaces. This gives our partners ready access to our products and services. All this has been set off against the background of total cost of ownership (TCO), which is obviously a key driver in clients' procurement decisions. But whatever the client's priorities – Capex, Opex or TCO – we feel we can meet their needs. Our confidence is best revealed in the fact that we are quite willing to accept performance-based customer relationships."

Lowest cost

Following its merger, DVD has clearly utilised its new strength to better serve major players. However, it has also benefited from its size by creating economies of scale, as Mr Giuseppe Bianchi, Division Director of Technology & Manufacturing, explained. "Every manufacturer needs to streamline its own operations to offer the best prices to clients. We have been able to achieve this in a number of ways. Firstly, we

* New owners for DVD?

At the time of going to press negotiations were understood to be well underway with DVDs new owners. It is further understood that DVD is likely to be divested by Halliburton along with other members of the Dresser Equipment Group (DEG), namely Wayne (gasoline dispensers), Waukesha (which manufactures gas engines) and IDR (produces various pressure and temperature instruments; rotary gas meters, specialty piping products, regulators; and commercial blowers). With a USD 1.4 billion turnover and returning healthy profits, many different parties were said to be interested in DEG.



30" / 900# BT2-5 Subsea top entry ball valve, duplex stainless steel trim, for the Woodside – Goodwin A project in Australia.

have rationalised our own production, to eliminate overlaps and create a world-wide integrated manufacturing infrastructure. Additional cost-cutting measures adopted by DVD include the outsourcing of non-core functions and the enhanced sharing of resources and services."

Moreover, Mr Bianchi explained, DVD has standardised its requirements for supplies and implemented a global sourcing strategy. Under this strategy centralised staff identify those sub-suppliers which offer the optimum level of cost and quality, which enables local manufacturing sites to buy their respective

needs in a very efficient manner. Mr Bianchi: "Our global sourcing strategy combines the needs of all plants to realise an interesting price leverage. Not only does this lower purchase costs, it also helps iron out discrepancies in manufacturing costs between individual plants. This translates into price and quality consistency for the client, which we ensure by ongoing benchmarking." As a quality safeguard, DVD procures only sub-components which are fully machined and hydro-tested. Specially designed software to facilitate information exchange and reporting has also been developed so that the success of all procurement actions can be tracked. Finally, vendors are monitored on a monthly basis. With this infrastructure in place, DVD has the confidence to procure components from around the globe, which includes developing countries. Mr Bianchi: "You can find good components in countries such as China, India and Brazil, provided you know where to look. To maintain high standards we either use our own infrastructure, like Dresser Valve India (DVI) in the industrial district of Coimbatore, or may form joint ventures with local people and appoint on-the-spot inspectors. We have already qualified twenty foundries in India alone, which gives plenty of scope to select the most appropriate for our prevailing needs."



42" / 1500# G 12 metal seated gate valves used in the Statoil - Europipe II and Asgard project.



Plant Office in Kariwa, Japan

S. Ruggeri (DVD President), fifth from the left

P. Murray (DEG President), sixth from the left

S. Suzuki (Niigata Masoneilan President), seventh from the left

P. Stringa, Division Vice President Business Development

A. Shimaoka (Niigata Masoneilan Director Engineering & Manufacturing), eighth from the left

T. Goto (Niigata Masoneilan Director Sales & Marketing), ninth from the left

Global

Continuing the global theme, Mr Ruggeri then discussed DVDs potential for growth. As he pointed out, DVD already has an enviably strong base in three continents: Europe, North America and Asia. These areas will continue to be important. However, he foresees particularly exciting possibilities in certain key areas such as Asia Pacific, West Africa, North Africa and South America. Mr Ruggeri: "Everyone seems to be talking

about the recession of the past two years. I prefer to look at the encouraging signs of recovery we have seen in the fourth quarter of 2000. Both our enquiries and firm bookings are up and I expect the market to grow significantly between now and 2004. Key markets will be deepwater oil and gas production, power generation and finally gas processing, transmission and distribution. We are strong in all these segments. In fact, I predict that our own growth will exceed the

market trend thanks to the integrated solutions we can provide. Rest assured that we can meet any heightened demand for our products and services, thanks to our own flexibility and the network of approved sub-suppliers." Even though it is a global company DVD remains appreciative of regional needs. Valves, actuators and associated services are tailored to meet the specific environment whilst local service centres are trained or established to provide effective after-sales support. This also applies to countries where others have been reluctant to tread, such as Russia, Nigeria and Algeria. And although it may sound like a cliché, DVD's sales team really do respect the local culture. "Cultural diversity is a wealth – it makes us a better business," laughed Mr Ruggeri. "Our policy has always been to invest in people and teamwork. That's why we have handled our consolidation so well. Even after mergers, we ensure continuity of management which is highly valued by clients. I am sure we will repeat this as and when we acquire select niche companies to round out our product offerings. Our staff really makes DVD a millennium company: our top fifty managers each has an average twenty years' experience. It is their commitment – and indeed that of all our employees – to serve our customers that makes DVD what it is. Simply the best!" ■

FACTS & FIGURES

Name:	Dresser Valve Division
Products:	Safety and safety relief valves, automated globe and rotary control valves, ball, gate, check, butterfly plug, and specialty on/off valves, chemical injection pumps, regulators, surge relievers as well as actuators. Other manufactured accessories include diagnostic equipment, microprocessor based imbedded instrumentation, and level instrumentation.
Headquarters:	Voghera, Italy
Facilities:	Manufacturing - 19 Service centres - 8 Sales branch offices - 45 Repair and distribution centres - 102
Key brand names:	Grove Ledeen Texsteam Wheatley TK Valve Nil-Cor Becker Consolidated Masoneilan
Sales:	\$ 600 million
Employees:	3000
Markets:	Upstream and downstream oil & gas (exploration, transportation and processing), refining, petrochemicals, chemicals, power generation, pharmaceuticals, food & beverage, pulp & paper, mining & metallurgical, marine