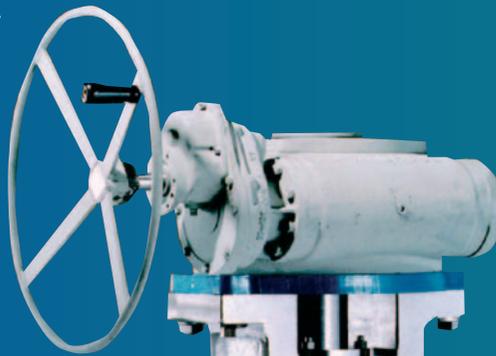


Weir Valves & Controls

new global

By Joanne McIntyre

Weir Valves & Controls is undergoing a process of radical transformation. After a challenging couple of years the company has made the bold decision to completely rethink the way they supply and source their products, their customer focus and how they support their well-known valve brands. The creation of an efficient global supply chain is at the heart of these changes. Like all makeovers this has not been an easy process, but it has been surprisingly quick. The 160 year old company is literally being reborn within 12 short months. Valve World visited the Weir Valves & Controls team in Huddersfield, UK, to get the inside story on the spectacular rebirth of one of the industry's most respected names.



Tricentric triple-offset butterfly valve



This transformation is about achieving globalisation. We need to get out there rapidly and fulfil our customers' needs wherever they may be. Our brands and designs are excellent, but they've got to be delivered on time, at competitive prices, or we're not going to be given market share that we need," explains Roger Griffin, Project Director at Weir Valves & Controls, at the start of the interview. "We're becoming increasingly global as our five year strategy is implemented. It's a phased plan and the rate of change is tremendous. In the UK, for example, the timetable is just twelve months, which includes relocation of the Huddersfield factory. There is a lot of pressure because we are implementing major changes in all areas - products, markets and facilities - at the same time."

In order to visualise the many changes which are occurring concurrently within the company, Weir has developed a Global Supply Chain map. This neatly represents

current and planned activities such as: product ownership; sales and application engineering; and finally assembly and testing facilities. "We will develop our regional capabilities to suit our customers' needs," continues Mr Griffin. "As we go through this process, we are creating a manual on how to set up valve assembly and test facilities. Once our sales and marketing team identify a promising region we can then rapidly establish a local presence, whether it's a 100% Weir-owned facility or a joint venture. In Italy for example forged steel components are very competitive and there's a good supply chain for products such as ball valves. So we're adding assembly and test capabilities in that country to

provide better customer service." "We now have the expertise to determine how to develop manufacturing facilities local to our customers and

how to build strong local supply chains," continues Mr Griffin. "What we are doing in the UK and France can also be done in the Middle East

for instance, leading to significant cost reductions. The Weir Group have a strong team, and existing facilities in the Middle East which enables us to move quickly. As we've been sourcing components and materials from the area for some time, it's simply a matter of linking everything together to produce finished valves in the region."

"Several product ownership transfers are being conducted, with our safety valve

transformed by a

vision



Atwood and Morrill Free Flow check valves



Hopkins
nuclear parallel-
slide gate valve



Batley high-performance
butterfly valve

transfer being the largest. We have particularly strong safety valve expertise in France, so we've given them global product ownership, transferring the Hopkinsons' safety valve range to Sarasin-RSBD." Joint ventures have assumed a new importance for Weir Valves. "Our planned joint venture in China is being developed from a long-standing relationship initiated by the American team. Similar joint ventures and partnerships are also underway in other areas in the world."

A new home for a new vision

While Weir Valves & Controls owns many well respected valve brands, the company recognises that in the past they have had problems getting their products to the customers. A significant investment has now been made to further develop the company's operations worldwide, including a new state-of-the-art facility under construction just four miles from the old site in Huddersfield.

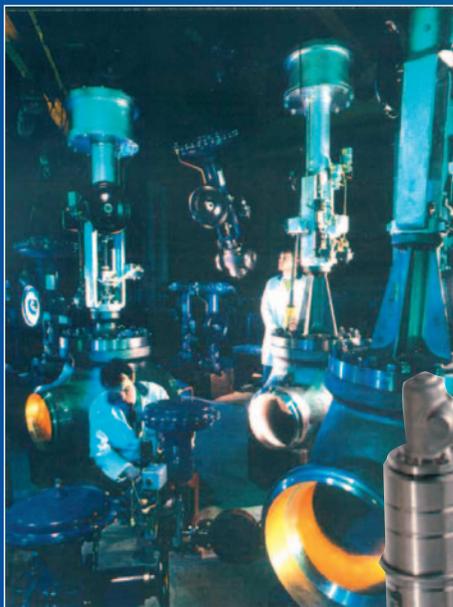
"The new facility will totally change our supply chain and the way we do business," says Phil Clifton, Divisional Managing Director of Weir Valves & Controls. "We're changing from machining most of the components internally to bringing them in as finished components ready to assemble and test. We're totally rethinking the way we work in the factory and customers will notice the difference. After all, if it's not improving customer service it's not worth doing."

Mr Clifton, a member of the Operations Executive Committee for the Weir Group, joined the company in August 2004 to help the division refocus and get back in touch with its customers. "The new site will be an exciting and dynamic place to work but it has to fit in with our global vision. The Weir Group is a global business that happens to have headquarters in Scotland. One of the key factors in achieving this change has been the extensive re-branding kicked-off four years ago. That

started to pull everybody together. Previously, we operated in isolation under individual brand names, whereas now we feel like we belong to a global group. As a result, the perception of Weir in the marketplace has changed dramatically."

Mr Clifton continues: "The product brands, level of quality and ownership will be retained and the Huddersfield facility will grow, not diminish. Our five year plan will show significant growth. Our investment in the Huddersfield site plus investment in the US, France and other factories worldwide is integral to this growth. The key is to retain the product knowledge and expertise within the company. The most important asset in our business - our employees' skills - will not be lost."

The UK company spent three months vetting potential supply partners for its new site and has now signed up the first partnership contracts. Both sites will initially run in parallel to ensure a smooth transition without any inconvenience to cus-



Blakeborough control valve products

Sarasin-RSBD pilot-operated safety relief valve (on left) and spring-operated safety relief valve (on right)



tomers. Mr Clifton: "As we phase out component manufacturing at the old site, we will phase in the supply partners for the new one. These are three year deals which will be ongoing and beneficial to both parties, we direct incentives to ensure best in class quality and encourage further cost reductions and continuous improvement."

So far the transition is progressing smoothly, thanks largely to the huge amount of planning and preparation which was conducted beforehand. The changes will bring the UK operation in line with the best facilities of the Weir Group, which is an acknowledged leader in Lean production processes. It has required a major cultural change but Mr Clifton is confident that open and frequent internal communications have kept the staff well informed and they are prepared for the move. "It's a very positive environment. Our people are keen, motivated, and passionate about what they do. Our ambition

is to live up to the promises we make to our customers. We want to meet their expectations, whether that's about supplying products at the right price, the right place, or the right time. If we can fulfil expectations we will be successful. It will give us added value and competitive advantage."

Building customer relationships

Both end users and engineering companies are customers for Weir Valves & Controls and the company aims to develop strong long-term relationships with a number of key accounts. David Latimer, Managing Director of Weir Valves & Controls UK Ltd, explains: "We want to develop key accounts across the group, not just in valves. It's important that we build an organisation that allows us to get the basics right. We are confident that our brands are strong enough for preliminary discussions, but delivering on our promises will cement the relationship."

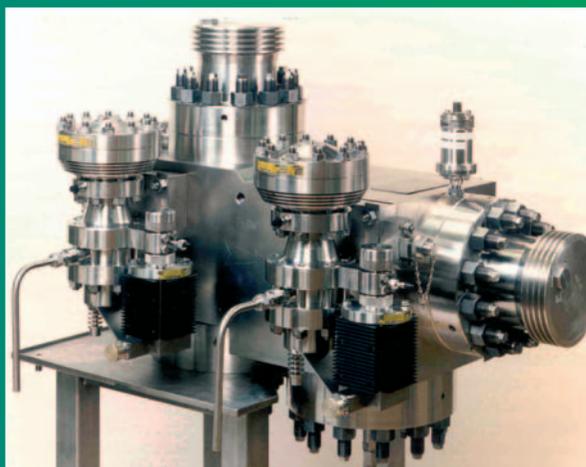
Each of the company's sales and application engineering locations will be capable of supporting all of Weir Valves & Controls' product brands. "Our customers have told us that three things are important to them: a personal, local relationship; quotes that are delivered promptly; and on-time deliveries. Our customers are evolving rapidly - they no longer want to keep stocks of valves and their lead time expectations are constantly shortening. We've had to take some radical steps to meet their expectations. Once the process is complete, Weir Valves & Controls will be a lot closer to its customers, it will be profitable, and it will be nimbler and more flexible to deal with," notes Mr Latimer. While Mr Latimer concedes that it is unusual to see a large well-established entity like Weir Valves & Controls undergoing such a radical transformation, the traditional way of doing business simply wasn't addressing the cultural issues that arise in



MAC valves top-entry and side-entry ball valves

FACTS & FIGURES

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| Company: | Weir Valves & Controls |
| Brands: | Atwood and Morrill, Batley Valves, Blakeborough Controls, Hopkinsons, MAC Valves, Sarasin-RSBD, Sebim, Tricentric |
| Headquarters: | West Yorkshire |
| Key products: | Valves for critical service, isolation and control |
| Main markets: | Power generation, oil & gas, chemical industry, general industry |
| The Weir Group is made up of: | Weir Minerals, Weir Clear Liquid, Weir Valves & Controls, Weir Services, Weir Defense, Nuclear & Gas. |



Sebim nuclear pilot-operated safety valve

a global marketplace. Mr Latimer explains: "Our team in China has a thorough understanding of their markets and products. The Beijing office benefits from the presence of local staff who obviously are best placed to appreciate the needs of their Chinese clients. If you think you can take what works in the US or UK and use that in China, you won't succeed. This approach allows us to achieve localisation in a country while still controlling the final technical issues, wherever the product ownership may be."

Expanding markets

China is a significant market for Weir which promises to be more rewarding in the future, says Weir Valves & Controls UK Ltd's Divisional Marketing Manager Andrew Will. "For four years we've been developing our nuclear market in China and now it's taking off. We're in a very strong position with a well established base. All nuclear power plants in China use Weir

products. We've worked hard to ensure that even during the quiet spells we've maintained good relationships with our customers and supported them with quality after-market support. Now that market is starting to move forward we are well placed to take a serious part of the business. The same is happening in Russia where we also intend to provide local support using our business model."

Mr Clifton takes over: "Russia and Eastern Europe is booming for the entire Weir Group. Our Minerals division is supplying a lot of equipment for Russian mines, while we also have plenty of activity in the pump division. This is one of the benefits of being part of a big group. The Weir Board is tremendously committed to investing in us and there's a lot of cross-division collaboration. We've been extremely successful in the Ukraine in the last year or so, particularly in picking up EU-funded work to modify existing nuclear reactors. Weir has also been very active in the

US and Europe to extend the life of existing power plants."

Mr Clifton concludes: "The changes we are making in our global valves business are all about being more responsive to and focussed on our customers. This is a significant journey that we are going through and although it is a complex project, we are running to programme. Despite the potential disruption, the planning effort we have put in has enabled us to improve our delivery performance during this difficult period. The major investment in all our facilities will ensure that our customers can rely on Weir to provide the products that they know and trust, into the future." ■

