



Forum Energy Technologies

A strong company ideally positioned to succeed

In the summer of 2010 Forum Energy Technologies (Forum) was formed in a five-way merger between Forum Oilfield Technologies, Triton Group, Subsea Services International, Global Flow Technologies and Allied Technology. Today, the company is approximately 3,400 employees strong and still growing. Together they are a worldwide provider of mission-critical products and services to the global energy industry's drilling, production and infrastructure segments. Valve World was delighted to meet Mr. Maury Mills, VP of Sales and Marketing, to talk about the valve business line: Valve Solutions.

By Anne Cunningham & Sarah Bradley

From used valves to the New York Stock Exchange

Forum Energy Technologies' Valve Solutions was originally founded in the 1940s as Zidell Valve Corporation. The roots of the

company were in the salvage operations of naval ships from World War II, as Mr. Mills explains: "They disassembled the valve systems in the ships and sold the used valves. Somewhere in the next decade they elected

to start selling new valves and acquired a valve line called Duo-Seal International, a line of API 600 gate globes and checks. It became known as DSI and is still one of the premier lines of valves we manufacture today." Another line of valves was added in the 1990s when the company developed its own line of ball valves, PBV, a line of trunnion ball valves and floating ball valves. "Up until then it was a mostly US based business," Mr. Mills tells us, while explaining the 1997 sale from the Zidell family to the PON Group in The Netherlands, "but in 2000 the PON Group decided to go global in a bigger and better way. So a major initiative was launched at Zytech that has proven to be highly successful. In 2005 the PON group sold Zytech Global Industries to SCF Partners, a private equity firm in Houston, Texas.



Products and inventory

Valve Solutions manufactures industrial valves focused primarily on oil and gas production, transmission and the hydrocarbon processing and mining markets. The company occupies market-share positions in its core markets with the four recognizable brands: PBV, DSI, Quadrant and ABZ Valves and Controls. "All four brands are products recognized for inherent quality and design and thanks to our very strong disciplined quality assurance programs we make sure that what we provide to the end user is a product that meets all their requirements." Mr. Mills stresses the fact that Forum is a company where you can find the answer to all your flow control applications. "We do not do control valves per se, but we offer one of the widest selection of quarter-turn products, and our multi-turn products from DSI are recognized by virtually every primary end user in the world." Besides offering high quality products FET understands how important it is for their customers to keep lead times short. "We try to maintain substantial inventories as well as be very flexible when needed for special requirements. We go the very last mile in customer service. Lead times are vital to customer service, the typical lead time of a product, depending on the product, can range from stock to 8 weeks depending on any special aspects. However, over the past twenty years and especially the last ten, end users are faced with making decisions in a manner that is not allowing them to plan as far out as would be desirable for convenient inventory forecasting, so it is important for the manufacturer to be able to anticipate what the demands will be. If we are able

to forecast our customers' needs more accurately we can obviously meet their expectations." As an example Mr. Mills adds that 25% of business at DSI and PBV are orders placed and delivered in the same month, "We could not achieve that if we didn't have a strong inventory."

Latest developments

Forum Energy Technologies is a growing company, something that becomes very evident when we ask Mr. Mills if there are any new developments: "We are continuously investing in Valve Solutions by adding new products, a new online store and better customer service. For example, ABZ Valves and Controls recently added a new product to their line. ABZ's Extreme Seal 6000 Series triple offset is a great example of the evolution of the butterfly valve. All sealing parts (disc seat, body seat and retainer) are geometrically machined to reduce friction on the sealing surface. This provides a tight shutoff for a long term service of the metal to metal sealing mechanism which is also less susceptible to erosion. Our unique design also allows for an easily field replaceable body seal and disc seal without special tools. This is a vast improvement over the traditional triple offset designs that only allow field repair on one of the two primary seals/ Couple these features with the high temperature stem packing systems for fugitive emissions, fire safe protection, exotic alloys options, cryogenic packages and you have one of the most diverse offerings available in the market place today. This follows the tradition of ABZ in that we are always looking for new improvements to our designs to adapt to a changing and evolving world."

Once again the company received a name change, this time to become Global Flow Technology. "In 2008 Global Flow Technologies acquired Quadrant Valve and Actuators, a highly specialized line of API and ANSI compliant ball valves both socket weld, threaded and flanged and we also acquired ABZ Valve and Actuation out of Madison, Kansas. Finally in 2010, SCF merged five companies to create Forum Energy Technologies of which Valve Solutions is a division. "In 2012 Forum went public on the New York stock exchange.





Another method of adapting to the changing world is the development of the new online store which will make ordering and requesting quotations easier for customers everywhere, regardless of their time zone. "When in Australia or South East Asia, customers no longer have to wait to talk to someone in the US or wait for an e-mail. They can check pricing, inventory, and alternatives –if what they are looking for is not specifically available– in their own time." The updated online store, besides being user friendly, allows Valve Solutions to focus on the more special applications:

Even though it is essential for Forum Energy Technologies to be a global player the company does realize that their number one market is still the US. For this reason the company has also introduced

several changes for their domestic customers: "To be able to better serve the Bakken Shale, Valve Solutions has recently opened a location in Williston, North Dakota. This new location holds PBV and Quadrant Valve inventory. We have also just added inventories from Quadrant and ABZ to our Houston warehouse. Prior to this all Quadrant orders were shipped from Louisiana and all ABZ orders from Madison, Kansas. So, now with our warehouse here in Houston, our customers are able to obtain all four brands from our Houston location."

Testing and requirements

Forum Energy Technologies is an integral part of API and is active on all product related updates to standards and very proactive on implementation of changes

prior to publication. Through their affiliation in this group, they are well aware of like consideration to Global Standards driven by ISO. They currently perform extensive in-house testing, random sampling and witness testing as required by end users. Testing includes API 6D, API 598, NDE and API RP-591 on new design. As these industry guidelines change, Forum is always prepared to supply industry compliant product to their customers.

"Every month we do incredible amounts of third party witness testing at the PBV plant for the gas integrity programs with utilities from across the country because they are so safety conscious. We can offer hyperbaric tests, nitrogen testing, and most special test requirements the customer comes up with."

Mr. Mills believes that offering such a wide range of testing is merely a part of customer service: "That's where our flexibility comes in to play and the fact that we are not restricting what we can do because of convenience. To meet our customer's needs we have to be able to do a wide range of testing."

All products from Forum Energy Technologies come with full documentation and are traceable, "this is essential in the international market, but as this requires large amounts of paper we are now trying to do as much as possible online by providing the documentation electronically, minimizing unnecessary use of paper."

A special project the DSI team of Valve Solutions is currently working on is a low emission product:





A change in the DSI line has been implemented to meet "Low Emission Compliance" on the cast steel product prior to publication of new emission testing standard API 624. They have worked for past six months on in house and third party testing to assure they can meet compliance of new emission standards about to be published by API. Upon publication of the new standard, the goal is to have product already in compliance as these publications are immediately adopted by the refining industry. "We are working closely with API committees on this. We have been testing a lot of our valves to

what we anticipate the new standards to be set at and we are well on our way to meeting all the requirements that we think API will be setting out soon. Mr. Mills believes that addressing this matter properly is of vital importance to the future. While some companies are talking about it being an optional feature; it is going to be our standard."

The future as a strong company

According to Mr. Mills the secret to being sustainable is being a strong company. "In recent years there has been a wave of companies that surfaced which are little

more than brokers who import products from other parts of the world. I am not saying these products are poorly designed or of poor quality, but it is important for customers and end users to recognize that there needs to be a strong company behind every product they buy." Mr. Mills defines a strong company as a company that includes an inherently sound quality system, someone you can call when there are problems, a competent sales force, and an engineering force that is knowledgeable when assisting customers or dealing with special issues. "Merely worrying about the absolute lowest dollar cost of the product when purchasing it is asking for problems because you might buy a very cheap product, but in the end if it is not supported properly it can cost you a lot more than if you had purchased a valve from a company who besides provides a full range of services." Mr. Mills believes a lot of changes are yet to come within the industry and at Forum Energy Technologies Valve Solutions is committed to staying on top of them. "We believe that safety, i.e. pipeline integrity projects for the utility sector, will continue to grow. It started on the West coast and we are now seeing signs of it in other parts of the country. The infrastructure of a lot of the cities in America, especially on the coasts, is very old. So we expect there to be continuing emphasis on safety. We also believe the low emission regulations are going to be out very soon. That, we believe, will ultimately encompass the globe. Although some third world countries will be slower to embrace, we are already seeing signs in certain countries that they are facing the same concerns and want to follow." The main change we will see is that only companies who invest in being strong will survive. The "broker style" companies I mentioned earlier are going to have a tougher time because they will have to focus on safety, emission regulations and the overall quality aspect. A valve manufacturer must continue to invest in its quality programs, engineering R&D, with better training of sales people and the ability to provide more technical support than ever before. In general the industry is becoming more sophisticated and companies that do not invest in for the future will be left out."

