

Velan Italy achieves

A joint venture between well respected valve manufacturer Velan and a small group of Italian valve specialists, led by one of the oldest and best known gurus of the Italian Valve Industry, emerged onto the marketplace in 2003. Under the name Velan Srl., this company offers a top quality ball valve line backed up with exceptional customer service. Despite its youth, Velan Italy has already expanded by adding a second production facility and has plans to expand its product range to keep pace with demand. The success of the venture is reflected in an almost ten-fold increase in turnover in three short years! Valve World travelled to Milan, Italy, to find out why the orders just keep rolling in and valves rolling out smoothly and timely.

By Joanne McIntyre and David Sear

Mr Roberto Bartolena is a vibrant Italian with a real passion for his work and an enthusiasm for the valve industry which is hard to match and with his 40 years of experience, is one of the historical fathers of the Italian ball valve industry. Hardly surprising, then, to hear he has already steered new company Velan Srl. to a flying start. Order intake has grown very quickly and the company is already developing additional product lines. However, he and his partners are the first to recognise the role played by Velan in getting this new venture established. "Velan is an industry leader, with one of the best reputations in the global valve market," explains Mr Bartolena. "Without them it would have been very difficult to set up a new company in Italy and be so successful in such a short time". Mr Claudio Conti, Vice President Sales and Marketing adds: "We offer in-depth experience, API 6D valve know how and a competitive manufacturing capability. Velan provides extensive resources, from engineering and production to sales and marketing." Mr Conti continues: "We are a brand new operation, started from scratch in 2003 yet our

progress has been exceptional. Our turnover has risen from EUR 4.5 million in 2004 to an actual EUR 29 million at the end of fiscal year 05/06 (May 31, 2006) and a projected EUR 42 million in fiscal year 06/07." "That's dramatic growth by anyone's definition!" adds Mr Bartolena. To date, the Italian plant manufactures API 6A and 6D trunnion mounted ball valves, in all three main categories: side entry, top entry and fully welded and is planning to add through conduit gate valves and API 6D check valves during FY 06/07 and these products form the perfect complement to Velan's existing product range. The sizes mostly range from 2 to 64 inches, although 80 inch valves have also been quoted for a Saudi Arabian water project. Furthermore, Velan Italy is able to supply valves for low temperature, cryogenic, high temperature and sub-sea conditions. "This complements Velan's renowned product range for extreme applications, including the most complete and technically advanced line of cryogenic valves available from one source," explains Mr Bartolena. "We can provide valves basically in all materials except cast iron".



Value for money

With plenty of well established valve manufacturers already present in Italy, Velan Inc. knew they would have a difficult time to claim a rapid share of the market without the association with a very knowledgeable partner. "As everyone knows competition in Italy is tough," says Mr Bartolena. "After all, this is the country where the majority of pipeline ball valves are produced. So yes, we do have competition on our doorstep, but our strength lies in the fact we are part of a global organization,

dramatic growth



The Velan Srl. Management team includes (from left to right): Luca Simontacchi (R&D Mgr.), Massimo Piganzoli (Plant Mgr.), Stuart Matthes (Quotation Mgr.), Alessandro Fantuz (Purchasing Mgr.), Roberto Bartolena (President), Simone Caldara (Chief Engineer), Mario Bonassi (Quality Assurance Mgr.), Fabio Sanvito (Logistic Mgr.), Paolo Palella (Vice President Production), Claudio Conti (Vice President Sales & Marketing), Nicola Rossi (Controller).

Velan Srl. Has the resources and skills to manufacture some very large ball valves. Shown are components for a 56" valve.



Velan can source and fit suitable actuators to meet customers' exact needs.

with our own designs, and extensive in-house engineering and know-how of products, market and competition. That means we can fully utilise the latest insights into materials technology and production techniques." "Also," adds Mr Paolo Palella, Vice President Manufacturing, "we maintain critical manufacturing steps in house, such as welding and most of our machining. In fact, we are expanding our in-house machining facilities. In short, we know exactly how to design and manufacture quality valves. Our superior designs reflect many

years of personal experience in the valve industry, together with ongoing R&D and engineering efforts."

"Of course," continues Mr Bartolena, "quality invariably does not come cheap." However, that does not stop clients from finding their way to Velan Srl. "Simply put, clients know they can rely on us to make a valve that works, using quality materials and conforming to the most stringent of standards. We're an honest company with a reputation that is important to us. So we are proud to offer competitively-priced products that give real value for money."

The years of experience that Mr Bartolena and his team have collected means they can work closely with customers to help solve their challenges. Mr Bartolena continues: "We are prepared to work with the customers, to talk with and learn from them. After all, most of the time the customers know as much as a manufacturer does about their valves. The people in the field know if a valve is working properly or not. Open communication and being prepared to listen is the key to finding effective solutions."

Focus on projects

Velan Italy's main customers are the oil and gas industries, for which they supply valves from the well to the process plant gate. Of course additional customers are found in the downstream business, and Velan Srl. has also supplied valves for the water industry. "At the moment our business is almost 100% project-focused," explains Mr Conti.

Mr Bartolena recalls that the company's first major order was supplying ball valves ranging from 30 to 56 inches for a gas project in the Middle East. "Incredibly, we actually booked this EUR 2 million order before we had finished starting up the company!" recalls Mr Bartolena. "This demonstrates the confidence that our customers have in the Velan brand and in our personal reputation," he adds. Despite the need to set up a production line at very short notice, Velan Srl. was able to ship four weeks ahead of contractual delivery schedule. Since then, several thousands of ball valves have been supplied: soft-seated, metal-seated sub-sea, high temperature, cryogenic and at least 500 fully-welded ball valves, up to 56", for the BTC



Luca Simontacchi (R&D Mgr.) visiting a Velan 40"-600# valve installed in a compressor station along the BTC pipeline (for this pipeline, Velan Srl. supplied more than 400 large size valves).



A 56" - 600# welded body under final assembly.



pipeline in Turkey and for several projects in UAE, China, Malaysia, Brazil etc. Despite the focus on projects Mr Bartolena says it is impossible to quantify a typical order. "The value of our contracts ranges from EUR 20,000 to in excess of EUR 15 million, so there is a lot of variation. To others that might be a problem, but with our flexible manufacturing practices and thanks to excellent relationship with our network of sub-suppliers, we can easily accommodate orders of varying magnitude." For large projects Velan Italy is pleased to supply additional valve types required by the customer, even if they do not actually manufacture these themselves. "For example, we have delivered floating ball valves for a few large projects, even if they fall outside our scope of manufacturing, in order to be in a position to supply a complete package," comments Mr Bartolena. "Approximately 10-15% of our valves are specified with actuators," continues Mr Conti. "We decided that even though we could make such items we would not enter this market since we believe that the customer should be left free to decide and choose among well-known brands according to their historical records and preferences. We will source and fit suitable mod-

els as selected by the customer from leading actuator manufacturers onto our valves. Our service will be to carry out performance tests and guarantee the complete unit. We will even do this if the actuators are 'free issue', meaning they have been bought by the client and sent to us for fitting."

Shortening delivery times

With its business flourishing in Europe, Middle East, Latin America and Far East, Velan Italy is now eyeing opportunities over the Atlantic. "We are looking at expanding our North American presence via a distribution network to generate a steady turnover there," confirms Mr Bartolena. "However, because customers in that market like to buy from distributors, we will need to have a lot of product in stock. North American customers are not prepared to accept a 20 week delivery schedule; they want their orders filled tomorrow! This presents some challenges to us at the moment but we are seriously working on it."

In today's market, it is no secret that delivery times are a critical issue given that people are under increasing pressure to save money. The market at the moment is addi-

tionally hampered by a shortage of raw materials such as stainless steel, carbon steel and duplex, with no forging companies holding large stocks of material. Mr Palella adds: "This means that it takes 12-15 weeks to receive forgings, leading to an average valve delivery time of 20-24 weeks. To gain a share of the North American market we are building up a stock of components and semi-finished parts, to dramatically shorten our delivery times and offer a steady back-up to our distributors. Our goal is to reduce our average delivery time for commodity items to just 6-8 weeks." As Mr Bartolena was keen to show during a trip around Velan Srl.'s premises, the company does already maintain significant stocks of forged components – particularly items with long lead times – to ensure timely deliveries to clients. These stocks are being further increased. Mr Bartolena: "Our customers know that when we quote a delivery time, we stick to it. This is to a large degree possible because of our high quality and motivated staff. Also, our weekly "managers' meetings", well known amongst the industry, help us to assess and resolve any issues and ensure valves reach clients on time or even ahead of contractual delivery dates."



Thanks to flexible manufacturing practices and excellent relationships with a network of sub-suppliers, Velan Srl. can easily accommodate orders of varying magnitude.



Work in progress on one of the assembly lines.



The in-house cryogenic testing rig.



Cryogenic API 6D ball valves are the latest addition to Velan's leading range of cryogenic gate, globe, check, ball, butterfly and control valves for temperatures as low as 1.4 K.

Rapid expansion

The success of Velan's Italian venture has been such that just after less than three years of life, it has been obliged to expand its manufacturing capacity to be able to grow further. Mr Palella comments: "The new facility, being fitted out adjacent to the existing plant, will boost such growth. The 45-tonne overhead cranes will provide greater lifting capacity, two new pressure testing benches will complement the existing testing facilities on-site, and the in-house painting and crating facility will make our production chain shorter. These are very obvious demonstrations of the degree to which Velan Srl. will go to ensure each customer receives the best possible product for each application." Less obvious, but just as important, is a small work-station tucked away in the corner of the current factory. The operator has just a PC and some sensors at his disposal, but these fulfil a key purpose - calculating the exact amount of torque required to operate the valve. "If you are fitting an actuator to a valve, it is important to know the torque requirements. If the actuator is too small, the valve may fail to open; too large means you are paying for unnecessary power. So instead of using outdated torque

tables, we have implemented our own testing system to measure and record the exact operating torques required to move a valve. Hence we can precisely size the optimum actuator for each valve, giving the client assurance his valve will indeed open or close on demand but using a cost-effective package."

Velan Italy's expansion plans also include a wider product range. "As said here before, we plan to expand our line to include check valves for pipelines and through-conduit gate valves. Our ball valve business has been growing so quickly that we haven't yet had the time to develop these designs or make prototypes, but that will become possible once our production facilities have been extended. We already

have most of the requisite approvals and certification and the rest will soon be completed, which means that a lot more markets will be opening up to us." Undoubtedly, all of Velan Italy's new valves will measure up to the high standard set by its ball valves, which provide quality features as standard. Mr Bartolena explains further: "Every Velan ball valve is fire-safe, made with NACE materials, is 100% pressure tested (including high and low pressure seat tests) and is double block and bleed. Our functional qualification tests ensure top reliability and service life for every one of our valves. We are proud to have made these tests a standard procedure, and our customers know we supply quality products that they can trust." ■

FACTS & FIGURES

Company:	Velan Italy
Founded:	2003
Headquarters:	Milan, Italy
Employees:	75
Key products:	API 6D & 6A trunnion-mounted ball valves
Turnover (FY 05/06):	EUR 29 million (EUR 42 million projected 2007)
Main markets:	Oil and gas industries, power generation, chemicals, water