



Walworth head managers.

The Walworth Company returns to the world stage

When Salomon Waisburd bought The Walworth Company in 2002 he admits people were “unsure whether to offer their congratulations or condolences” because the company was in such bad shape. Today this most distinguished of brands is again taking the global valve market by storm, filling orders in 24 hours and providing exceptional levels of service that other companies can only envy. One man’s dream to resurrect a company synonymous with quality and superior design has now become reality, as Walworth has truly been reborn.

By Thijs Elshof and Joanne McIntyre

Salomon Waisburd, company owner and Chief Executive Officer, explained some of Walworth’s history. “Walworth is one of the oldest brands in the world, founded in the US in 1842 by James Walworth. Over the years it has produced 40,000 different products. Thirty years ago a Mexican group purchased the Walworth name and brought it to Mexico where it expanded

into a huge operation with over 50 companies. However the rapid expansion and overwhelming debt drove the company bankrupt. When the company came up for sale in 2002 it had no inventory and only 180 employees. There were many potential buyers because Walworth has been in the valve industry for 165 years and its reputation for good designs and great performance was

known all around the globe. We knew that by acquiring Walworth we would have the chance to restore one of the oldest names in the business.” Salomon’s son, Jacobo Waisburd Vice President of Operations takes up the story: “During the purchasing process we found that many of the staff, from the engineers to the sales team, had worked for Walworth for twenty years or more.



We knew that these people who have the knowledge and experience to manufacture great valves would be a tremendous advantage for us because we had no valve expertise. We believe that our best asset is our people and together with their expertise we are forging a very bright and solid future for the company. The official hand-over occurred in January 2003. Since then a lot has changed. We knew we had to change the morale and dynamics of the company from within and we began to focus on our customer needs and ideas. We can now deliver a valve within 24 hours because of our large inventory and/or produce valves with special materials because of our foundry network”.

Regaining market share

“As a former Walworth valve distributor we knew the company's strengths and weaknesses; everybody wanted to buy their valves but it took them a very long time to fill an order, we had to improve customer service” continues Mr. Waisburd. “We started by buying raw castings and parts, and building up a very



Walworth ball valves ready for shipping.

large raw material inventory in order to be more competitive and have more products available in the market place. Our top priority was to recover market share in Mexico. At that time Pemex (Mexico's state-owned oil company) was importing all of its valves. Their director decided to give Walworth a chance. He sent a team of inspectors to review our facilities, they audited and approved the company and now they're a major client for us. Today there is not a valve manufacturing company in the world that can compete with us on the Mexican market. We have the infrastructure to quickly respond to any customer problem in any type of situation. Staff numbers have increased to 500 and by the end of 2007 we will reach 600. We are really committed to building a great team. Our engineering and sales teams work closely with clients to understand their needs and to find the best solutions for their requirements. For example recently Pemex wanted a certain valve and we were able to provide them with a solution at just a third of the cost and in a very short delivery time thanks to our local presence in the market. Another example would be the special valve for the generation of electricity from thermal steam, which has been approved by CFE (Mexico's national energy company). Refining is also an important industry for us. Mexico is building 14 new refineries for which we will supply all cast steel and forged steel bolted

bonnet gate, globe and check valves. National and foreign engineering and construction companies now consider Walworth the best option for supplying projects of this size as we also manufacture steel and iron plug valves, cast and forged ball valves, butterfly valves, gate, globe, stop check and tilting disc pressure seal valves.”

The company goes the extra mile to maintain good customer relations, as Salomon illustrates. “Chevron recently completed a two week audit of us in Mexico and China. I flew with them to China and stayed with them throughout. The Chevron people told me that this is the first time the owner of a company has been so committed that he has stayed with them for the full audit.”

“Our philosophy means we do not only sell valves, but service the customer also”.

Global expansion

Walworth is the only valve manufacturing plant in Latin America. Its main markets are oil and gas, petrochemical, pulp and paper, and power. The company also sells valves for construction, oil and gas platforms and drilling as well as to the water and sugar industries in Mexico, Central and South America. Geographically the company has a strong presence in Mexico, Brazil, Colombia and Venezuela and has entered other markets in South America. “Walworth was originally a US company and we have a very strong presence there and in Canada as well”, explains Charles Beauchamp, Vice President and General Manager who joined Walworth in 2001, after over 30 years working with distributors in the PVF industry.



The Walworth cast steel line.



Walworth slab gate valves, ready for shipping.

“Our base in Mexico is only two hours from Houston by plane and one day by truck so we can easily move inventory to the US. We also sell our products in Malaysia, Israel, Qatar, Algeria, Kazakhstan, Nigeria, South Africa, Denmark, Egypt, Kuwait, as well as other countries in Asia and Europe. From our facilities in China, Mexico and the US we can serve markets all around the world.”

The Walworth Shanghai plant has already shipped direct to certain markets that approve quality products from Chinese origin such as Canada. “Our second Chinese plant produces ball valves while a third new plant will be completed this year” says Mr. Beauchamp. The Walworth plant in Mexico has shipped two projects to China, but future projects in that area will be handled directly from the Walworth plants in China.

The company recently purchased 10,000 m² of land near its Mexico facility to expand with new machining, warehousing and testing facilities. “We've invested over USD 12 million in every part of the company; infrastructure including new software systems, computers, CNC machining equipment, NDE testing with magnetic particle, ultrasound and x-ray facilities” says Mr. Beauchamp.

“We also have in-house facilities for

cryogenic testing, fire testing, and fugitive emissions testing. Walworth valves, both cast steel and forged steel, have successfully passed stringent 3000 cycle and 5000 cycle fugitive emissions tests at the Yarmouth Research Laboratory in Maine achieving single digit ppm leakage at the end of the tests”. Mr Beauchamp points out that in the last years, the market has experienced more requirements for special alloys such as CY-40, CW6M, CN7M, C12-A, CG8M, M35-1, and CD3MN in the higher pressure classes of 2500 and 4500 and larger sizes up to 72". Walworth is now prepared to meet these requirements with the flexibility for quick delivery because of special agreements and exclusive capacity allocations with its foundries. These special castings and valves are produced primarily in Mexico. Orders placed in Brazil will soon make Walworth one of the main suppliers in this important country. They are also a major supplier to PDVSA in Venezuela and are being considered to provide valves for the Venezuelan trans-Caribbean pipeline. Eduardo del Rivero, Commercial Director at Walworth with more than 15 years of experience in Mexico and Latin American markets, explains how the company is positioned in the American market. “We are expanding in the US with a new 17,000 m² facility in Houston, Texas to carry out machining, modifications and assembly for our Walworth valves being shipped to that market. When the company was bought in December 2002, we started sourcing raw materials and castings primarily from Mexico, China and Korea. Our large inventory of raw materials at our Mexican plant has allowed us to produce product at a more competitive price. We offered a very aggressive cost/pricing

package to existing US distributors for them to stock Walworth standard products. Our prices were 30% lower, allowing our distributors to compete with other brands and especially those shipped direct from China. Because of this we now have two wholesalers and two end user distributors in the US plus we've doubled sales and grown capacity over the last four years. We've been highly successful in re-establishing our company as a major supplier in the US. We serve not only the refineries but also engineering companies, contractors and distributors. Sales from our traditional product line, bolted bonnet gate, globe, and check valves, including bolted bonnet pressure seal valves in materials from low carbon to stainless alloys like Inconel 825, 347 Stainless, Monel, C12-A, Hastelloy, and Duplex alloys comprise 80% of our capacity. The other 20% of our capacity is spread over plug valves, ball valves, bronze and iron valves, slab gate valves, butterfly valves and forged steel valves.”

Producing top quality

Walworth is now positioned to focus on providing top quality products. “At Walworth we don't measure the success of our organization just in terms of profit; we measure it in terms of sustainability” explains Javier Vergara, one of the Product Engineers who is also involved in the Quality Assurance system. “We need to retain and maintain our competitive advantage and expand our client base and market share through consistent quality and customer service. A significant example of our long standing commitment to excellence in design can be found in the Walworth valves that had been installed 50 years ago in a steam distribution system at Consolidated Edison in New York and are still in service. Walworth continues to serve our long time customers from our Houston facility by regularly furnishing repair/replacement parts for 30 to 40 year old valves in nuclear plants, the marine industry, and our navy. To insure casting Quality throughout our manufacturing, Walworth has developed a procedure outlining specific radiographic



Walworth staff numbers have increased to 500 employees and by the end of 2007 we will reach 600.



USA Houston plant, will be opening on November 2007.

techniques that supplemented the existing prototype and casting monitoring procedures. Walworth's Technical expert people also audited the various Walworth facilities and foundries around the world. New foundries were audited and the employees trained in order to achieve this high level of quality assurance".

There are full time teams of inspectors in the foundries to ensure that quality is being maintained. Customers no longer want just the lowest price, they also insist on valves with sound castings.

The world has become very concerned with emissions of volatile organic compounds. Walworth has developed a packing in conjunction with our packing vendor in Mexico that allows us to guarantee less than 50 ppm emissions leakage over one thousand cycles with minor packing adjustments. This packing has been tested for over 5000 operating cycles under pressure, including ten thermal cycles to 500 degrees Fahrenheit and was able to achieve a single digit ppm emissions leak rate at the end of the test. Walworth has striven not just to meet industry demands for reduced emissions, but to exceed them. Mr. Waisburd: "Our in-house" laboratory conducts fugitive emission tests both with Methane and Helium. We have also tested our valves and packing/gasket system under real conditions in terms of pressure and temperature at end user facilities with test results that after over five years are essentially in the zero to single digit ppm leakage rate. We randomly monitor production valves for conformance to emission requirements to assure product

consistency. In addition, every valve is hydrostatically tested according to its specifications and all of these test results are recorded in the material test report. We also have a complete traceability program where each part of the valve can be tracked back to its origin".

Looking ahead

Walworth has over the past four years re-established itself as a financially solid company. The next five years Walworth will have new challenges to face. Salomon Waisburd continues: "One of the main challenges will be the increasing raw material costs, although that won't halt our customers' plans for expansion. However the types of valves they will buy will change to a certain degree, requiring better materials, better quality, and better deliveries. The demands on valve manufacturers will be significant because of the sheer size of the projects that have been announced. Our new facilities in China, Mexico and Houston will allow us

to give the right service to each of the markets we want to penetrate. These new facilities combined with our increased inventory of finished goods, the new valve shop in Houston to service the Walworth valves by making trim changes and to assemble products as needed are a vital part of this commitment. This will allow us to offer a higher level of service than has been available from a valve manufacturer in the past. Bringing a product to market quickly will be critical. Raw material availability will continue to have an impact on finished goods deliveries and we must be in a position to maintain a respectable lead time.

We have assembled a great group of professional people in Mexico, the US and China that will maintain the 165 year history and tradition of our company and take Walworth to the next era, an era where quality and service are the top priority for the next 165 years".



Walworth new plant in Kunshan, China will be opening in January 2008.