



Metso Automation: A global innovator

During Metso Automation's last cover story it became apparent that the company had a lot going on. The world economic situation was a challenging factor at the time but the company had ambitious plans to remain as one of the global players within the valve automation sector. So, Valve World was invited to their premises in Helsinki, Finland to sit down with Mr Markku Simula, President of Flow Control business unit, and Mr Mika Nissinen, Vice President of Neles product line, to talk about the latest news and developments within Metso Automation and to get an update on the events that were going on last year.

By Christian Borrmann

"Given the economic situation of the past 1 ½ years and the fact that the economy is slowly picking up again, we can say that Metso Automation is very well positioned in the global valve market," Mr Simula starts the interview. The Flow Control business unit of Metso serves several industry sectors with its well-known brands Neles, Jamesbury and MAPAG. "We are strongly involved in oil & gas. We

serve all the major global players for this sector. Our core business was pulp and paper, which is still an important market, we see that as a kind of 'homebase' for us because we know our customers inside out" says Mr Simula. "The industrial gas business is especially interesting for us. Industrial gas operation plants are quite important for various fields, such as refineries and steel mills, and by

About Metso Automation

Metso is a global supplier of sustainable technology and services for mining, construction, power generation, automation, recycling and the pulp and paper industries with about 27,000 employees in more than 50 countries.

Automation business line is a part of Metso's Energy and Environmental Technology. Its main customers are energy, power and oil and gas industries as well as the pulp and paper industry.

Automation is divided into two business units of which Flow Control business unit develops, produces and supplies control, on-off and emergency shutdown (ESD) valves as well as asset management solutions for various process industries. Process Automation Systems unit develops, produces and supplies process industry specialty analyzers and sensors, extensive automation and information management solutions, and life cycle services.

Automation operates worldwide through sales and customer support units in about 40 countries. In 2009, its net sales were EUR 675 million. For more information visit www.metso.com/automation.



Neles, Jamesbury and MAPAG – Metso's three world-leading valve brands.

penetrating this market with these units you also encounter a whole different group of customers. Jamesbury valve brand is already a longstanding name for this sector and the recently acquired brand MAPAG, focuses also on this industrial gas sector, by serving the most important gas companies."

Investing for the future

In order to remain a global player, the company has taken measurements, as Mr Simula points out: "Even though the world may not be perfect right now and a lot of changes are going on also in the valve industry, we decided to continue with the major investments that were started before the credit crunch. 2009 has been a successful year for us and we expect even more growth in the coming years after the investments have been completed."

One of the investments Mr Simula means is the new Metso Technology Center in Shanghai, China of which he speaks very proudly: "Actually the building process had already started before the credit crunch. One of the reasons for this investment decision was the fact that China was still



(left to right) Mr Mika Nissinen, Vice President of Neles product line, and Mr Markku Simula, President of Flow Control business unit, at Metso Automation.

a growing market for us. This new facility will have 20.000 m² factory space and 10.000 m² office space. The main function will be in valve manufacturing and e.g. R&D and engineering but also other Metso businesses will be present under the same roof. Right now the project is being finalized, actually ahead of our schedule, and the opening ceremony will be towards the end of May."

Asked what the reasons were for this new Chinese factory, Mr Nissinen adds: "Well, as Markku already said, China is a growing market and we believe that with a strong local presence in the country we can provide even better service to the Chinese market. If the prognoses are correct in a few years' time China will

overtake the US as a valve market in terms of size. So from a strategic point of view the new factory in China makes perfect sense. We have major facilities in the US to serve the North American market, we have our major facility here in Europe to serve the European market and then the new factory focusing on China and the other Asian markets." – "In the end, we want to make the Metso Technology Center a 'knowledge base'. There will be local R&D, services, sales and engineering for a better and easier approach to the market," smiles Mr Simula. Another important investment decision the Flow Control business unit has made is to build a new headquarters and factory, roughly 15 km from their current



The new Metso Technology Center located near Shanghai in China.



premises in Finland. Mr Simula says that the reasons for the new headquarters had nothing to do with capacity: "The new office and factory will be approximately the same size as our current one. It's all about modernization. With our new factory, we will be able to increase our already high standards in terms of quality and efficiency. Our strategic target is to become the 'best in class' for product quality, on-time performance, project management and customer satisfaction. With these investments and actions, I am confident that we are progressing at full

speed and will achieve our targets and fulfill our customers' expectations."

Service & sales

Service is written in capitals at Metso. The Flow Control business unit has increased the number of service staff by fifty percent over the past three years. "Service is important to us as it shows our customers that we are there to help them locally and close by," states Mr Simula and he goes on: "That is the reason why we recently also invested in countries such as India, Qatar, and South Africa. We increased our staff in these countries and opened new service centres and sales offices". The business unit has an own global sales network which is an important strength, simply because, as Mr Nissinen explains: "In this way we can provide local service, with global support. The sales offices run their own local business but in addition cooperate with other sales offices in international



A quick look into the EHC business...

Mr Marc Leclercq, Director EHC Business of Neles product line, what is the role of the Energy & Hydrocarbon department within Metso Automation?

It can be seen as the link between customer expectations and our offering. We look at the daily requirements coming in from the customers and we keep a very close eye on the E&HC market and the developments which are going on there. According to this feedback we make adjustments to our product offering and define the roadmaps for the future.



How would you explain your status within the energy and hydrocarbon industry?

Well, after the credit crunch, quite a number of projects came to a halt and some of them are now picked up again. The market is acting and reacting again. We are very active in LNG and downstream like refinery and olefins, as well as petrochemical sectors of the energy and hydrocarbon industry. To some extent we are also involved in oil and gas exploration and production. Just to give you an idea of what I am talking about; our valves have been used from cryogenic to high temperature applications all around the world for more than 80 years. This means we have a very good reputation among end users and engineering companies and we are ready to work hard to keep it that way.

Can you tell us a bit more about this coming time?

We carefully check the developments of the markets we are involved in so that we can support not only our sales teams but also better focus on the needs of our customers. We are always open to talk to them about how to solve certain issues and we can work together with them to find the proper solution. And this is definitely our way to proceed for the coming years as well as keeping our eyes and ears open for areas of interest.

Would you be able to give a concrete example of such an area?

A big area we are already focusing on right now is renewable fuels. We believe that this market will become a key sector for global energy. Eventually oil & gas will not last forever, so we have started looking into renewable fuels and are already quite successful with our brands, Neles, Jamesbury and MAPAG, within these areas. Examples are our involvements with bioethanol and biodiesel, where our valves are already applied to various plants all over the world.

An i(ntelligent) Metso Automation product

Safety is something nobody wants to compromise. Risk mitigation and safety of operation issues cannot be addressed too often. Valve World talked to Mr Jari Kirmanen, Product manager, ESD and on/off valves, about Metso's take on intelligent emergency valve solutions.

Why are ESD valves needed?

The ESD valves are the gatekeepers of safe operation. They are needed only during an emergency situation and their crucial role is to prevent damage to people and plant assets. They should operate according to safety function specifications with no exceptions. Mr Kirmanen: "In short, ESD valves should always be available and reliable."

"It is important that ESD valves are correctly selected and instrumented for the application. We have been in the ESD valve business for more than 50 years and have the know-how and a product range that meets the needs of safety standards. We have an extremely good track record of successful installations and if you look around plants all over the globe, you will find our ESD valves."

Metso's iESD

Metso Automation developed the world's first intelligent valve controller and partial stroke test device for ESD valves, the Neles ValvGuard, in 2000. It was upgraded in 2009 for FOUNDATION fieldbus® as well as for HART®. "The Neles VG9000® is our latest development and it makes the ESD intelligent. This new valve controller will provide additional customer benefits such as integrated limit switches and high pneumatic capacity together with advanced but easy-to-use diagnostics" says Mr Kirmanen. "It automates valve testing procedures, documents the testing results and makes thus the customer's life easier. The graphical user interface of the device enables the users to check their ESD valve health and predict valve performance degradation. And as you can imagine this is a big advantage to our customers as they are then able to be proactive in preventing failures in their ESD valves."

"In Metso's iESD we have combined our know-how of valves, safety standards, applications, actuators, partial stroke test devices, linkage kits, instrumentation, system interoperability, prediction tools; and put all these into one single package. We want to offer our customers a reliable safety valve package together with a full support of Metso's expertise", concludes Mr Kirmanen.



projects. This system works very well which we can see from the market response and the fact that we recently opened our fortieth sales office. On top of that we also work with local agents, representatives and distributors. There are only a few companies who work in the same way we do to approach the global markets."

Metso Automation has several key account customers, with whom the company works on a very close level – the key account initiative. "Our cooperation with these key customers works on a trust basis. We work together with them to build and design special products for their applications and, in exchange for that, we learn from these customers about their specifications and applications in order to constantly improve our skills in order to give better service to all our customers. This initiative is connected to our sales system and that is why we will continue to extend our global system of sales and service offices all over the world even more over the coming years," concludes Mr Simula.



A conceptual drawing of the new Metso Helsinki factory, which will be opened in the beginning of 2011.