



SGOV gains global recognition through good quality

The Shanghai based Shuanggao Valve Group Co., Ltd. (SGOV) was established in 1989. During two decades of development, SGOV has gained various Qualification Certificates and is approved from local authorities by producing premium products and service. Today, the company has not only developed “SGOV” a highly credited brand in the domestic market, but has also successfully launched its products on the global market. Currently, SGOV is running a long term plan in respect of high-class products and increased global presence. At the company’s Shanghai headquarters, Valve World interviewed Mr. Li Guoxiang, Board Chairman of SGOV, and obtained up to date details.

By Yuzong Shen & Frank Hong

Being a Shanghai famous valve brand, SGOV is undoubtedly playing an important role in the domestic valve market. The total turnover reached 0.5 billion Yuan in 2010. Based on the original small plant which was only about 15,000m², SGOV now owns 3 production bases located in Shanghai and Wenzhou Zhejiang Province, each equipped with advanced facilities, with a total area of about 100,000m². Such surprising growth can be attributed to the drastic strategy of

the Chairman Li Guoxiang. In the late 1990s, the headquarters and plant were moved from Zhejiang Province to Shanghai; In 2003, over 80 million Yuan were invested in expanding the plant and renewing equipment, significantly improving company capability and brand image.

Major products and application area

6 workshops with modern equipment, more than 140 professional experts and

engineers, 780 employees and 30 years of industrial experience means that SGOV offers a broad range of products. The major products currently include ball, gate, check and butterfly valves. Besides valve products, SGOV has gradually extended its product line to valve ancillaries, e.g. heat reducers, de-compressors and valve actuators. Mr. Li says: “In order to satisfy market needs, we have developed a fully welded ball valve which is in great demand from end users such as China National Petroleum Corporation (CNPC), Sinopec and PetroChina Kunlun Gas Co., Ltd., etc. Currently the demand from steel works is high for coal injection valves. This category covers control valves, discharge (dumping) valves and scissor valves. Only a few domestic companies are producing such valves, but we have already registered patent rights for the techniques involved such as product structure and material ingredients.” In recent years, SGOV have invested enormous manpower and resources in importing German made equipment, including direct-read spectrograph,



plasma spray welder; carbon dioxide shielded arc welder with expert database, automatic submerged arc welder for fully welded ball valve production, valve cryogenic treatment equipment and valve torque test bed. This has greatly improved manufacturing skills and has allowed the development of high-temperature valves and cryogenic valves, max service temperature 650 , lowest temperature - 196 . In addition, the company has developed a 0.5sec rapid closing stop valve, hydrostatic testing valve, air suction check valve, no-load running check valve, high pressure heater emergency drain valve and a fully welded underground ball valve. Further, SGOV also studied advanced technology from abroad before developing an ingenious two-way

sealing wearable and abrasion resistant control valve. This product can replace imported products and can be delivered in batches and advanced technologies such as super-hard materials synthesis technology were extensively applied in its production. It was manufactured in the iron making facility of Wuhan Iron & Steel Group Corp. and came into operation in April 2010. This valve product complies with advanced international standard and obtained National Patent Product Certificate. Being a composite valve company, SGOV serves three major application areas: power plant, petrochemical and the steel industry, more especially a large fossil fired power unit project, a large scale coal chemical project and a refinery. SGOV has had outstanding

achievements in various application areas. In the power generation industry, SGOV has successfully serviced many 110w power units which represent the largest installed capacity currently in China. In the petrochemical industry, SGOV became the tier-one supplier of CNPC some time ago and has been supplying many other clients in this industry. Mr. Li explained: "SGOV is the designated valve supplier of Tianjin Gas Group for ball valves and fully welded ball valves, also the designated supplier of a number of clients in the coal injection area. Our products have replaced exotic products to a certain extent." SGOV can cite many other cases such as: Expo 2010 China Pavilion project; 2X1000MW fossil fired power unit (the maximum installed capacity in China) of





Changshu Power Plant in Jiangsu Province. In 2009, SGOV won 3 bids out of a total of 10 bid sections (upstream-oil field), and 3 bids out of 6 (downstream -refinery) during the CNPC valve centralized procurement bidding event, scoring the highest successful bidding ratio in China. When we asked Mr. Li the reasons for SGOV's success, he explained: "I attribute this to the combined factors of capability, product quality and service standards of SGOV. Quality is the primary focus of the SGOV team." Actually, the name SGOV itself (which means double high) indicates that the company is constantly aiming for both high quality and high service standards. SGOV valve products have gained wide acceptance and appreciation from clients backed up by qualification certificates and honors from the relevant Shanghai government authorities, including "Shanghai Top Product" and "Shanghai Famous Brand" which are seen as high honors within the Chinese industry.

Mr. Li continues: "The SGOV management team favours the principle of 'Honest foremost'. Based on this, they lead the whole SGOV team towards building a reliable brand and to produce excellent products. Actually, the team is considered one of the most important resources of the company. In order to create a comfortable and safe working environment, SGOV pays significant attention to health, safety and environment, and invests heavily in this aspect. Visitors may describe our plant as a "valve garden" rather than a "valve factory" because it's so spacious and 'green'. Of course, advanced equipment is also essential in making a quality product. Our equipment is among the best in the domestic valve industry and, together with market expansion we have taken the decision to continuously upgrade our machines and test facilities. In the future, precision work will be done by our machining center or digital lathes. In the meantime, we are working on the automation of pressure testing to

improve test capability and precision." In order to achieve this, SGOV is developing a sensor system specifically designed for leak detection, now in the trial stage. Only in 2010, SGOV invested several million Yuan in a micro leakage detector and large scale pressure testing equipment capable of handling 52". The company has also invested in factory testing equipment and a torque tester; i.e. the helium leak apparatus for micro leakage detection. SGOV spares no effort to pursue premium service quality. From pre-sales service to entering into technical agreements and technical planning with design institutes, SGOV is happy to send experts to a site to work closely with clients. On-site technical support can also be provided at the installation, debugging and commissioning stages. When necessary, service personnel will guarantee to attend on site within 24 hours for domestic clients. In some cases, although the issue faced by a client has no direct link with valves but where they





need advice, SGOV will also do their best to provide help on-site. In the case of an overseas or remote client, spare parts and fittings will usually be provided, or the guarantee period will be extended free of charge, according to the situation. Mr. Li adds: "We always take great care with clients' needs and take after sales issues very seriously."

Sales and the international market

With a rich product range to hand, agents are keen to handle sales for SGOV. So far there are more than 260 agents covering every province, city and districts except Tibet, Hong Kong, Macau and Taiwan. When developing the domestic market, SGOV obtained the ISO9001-2000 Certificate, API6D Certificate and AAA Qualification which opened the way to the north Europe, south east Asia and Africa markets, especially the BRICS and, in the international market, SGOV established its own brand in a very short time. Last year, many clients in America, South Africa and Malaysia accepted "SGOV" brand products. The current export structure can be described as 30/30: The

export volume accounts for 30% of total sales, whilst OEM accounts for 30% of the total export volume. Mr. Li told us: "SGOV is very confident that its products and services will be accepted by more and more international clients. Our next step is to pay more attention in developing the Europe and Africa market."

Development strategy

When asked about SGOV's future plans, Mr. Li stated firmly: "Our strategy is to aim for more industrial markets, namely "Basis on power plants, Focus on petrochemical, Penetrate into deferent fields. We will strive to take a leading role in certain application areas." Meanwhile, SGOV is keen to enlarge product sizes and improve pressure levels, and to

manufacture valve products for more severe applications. "Take the example of coal injection, the valves we make for this area now can last 18 months. This is basically in line with the criterion of many international brands. Having started with power plants as the only target market, SGOV is now successfully serving more application fields such as petrochemical, steel, etc. Therefore, a composite valve brand was gradually established. Now the company is paying more attention to the following industries and products: wearable ball valve for the coal chemical industry, especially coal conversion to oil projects; coal to SNG projects; specific control valves; valves for ultra supercritical fossil fired power units; for long range oil & gas linepipe; offshore rigs, etc."

Company profile

Name:	Shanghai SGOV Valve (Group) Co., Ltd.
Established in:	1989
Headquarter:	Shanghai
Major markets:	petrochemical, chemical, natural gas, power plant, steel
Major products:	ball, gate, globe, check and butterfly valve
Employee:	780
Sales volume(2010):	0.5 billion (Yuan)

