



Valvitalia welcomes old and new cu

Are hospitality and openness obsolete concepts in the business world? Definitely not at Valvitalia, which extends the hand of friendship to suppliers and customers alike. With this approach Valvitalia has already gained a solid foothold in its key markets - oil, gas, power and water - since being launched in 2002. On a visit to learn more about this company's business philosophy, the investments it has made and its plans for the future, Valve World had the pleasure of interviewing Valvitalia's President Mr Salvatore Ruggeri, Vice President Sales & Marketing Mr Tony Ellis and Marketing Manager Mrs Marica Gentile.

Customers who visit Valvitalia's headquarters in Rivanazzano, just south of Milan, will probably come away with a very good impression of this 'young' company. For not only has Valvitalia bought a spacious production facility, it has also made significant investments in modern machinery and test equipment. Other noteworthy issues include the tried-and-trusted brand names on show plus the well-equipped demonstration room. In short, there is plenty for the eye to take in. One thing that visitors are unlikely to see, however, is kept in an upstairs office. It's a thick folder, containing dozens upon dozens of sheets of paper. The intrinsic value of the paper is zero; the extrinsic value, however, is price-



less and speaks volumes for Valvitalia's reputation. For these pages are in fact letters of application, all written by seasoned professionals in the valve business keen on joining the newly-formed Valvitalia and working alongside its charismatic President, Mr Salvatore Ruggeri.

Mr Ruggeri's credentials are well-known in the valve industry. Having come up through the ranks with a respected Italian valvemaking he was instrumental in its transformation into a global valve player, implementing some highly successful measures along the way such as the 'one-stop-shopping' concept. When circumstances dictated the need for change he briefly considered other career options but

was almost inevitably drawn back to his first passion - valves.

A period of reflection, in which Mr Ruggeri spoke to just about every valvemaking in Italy, confirmed his belief that the industry was in need of change. With globalisation about to become a reality, he perceived that the traditional, independent valvemaking would inevitably become less competitive and that consolidation was the way forward. His vision was to unite smaller companies, creating production synergies and realising an entity with the resources to offer a wide portfolio of products and services. Such a group, he insisted, would require international business skills, with the critical mass required to serve major projects but small enough to offer flexibility to the market.

The rest, as they say, is history. With his past reputation and vision for the future Mr Ruggeri readily found investors from both the financial and industrial sectors, drew in quality valvemakers willing to become part of Valvitalia and, as that thick folder demonstrates all too well, attracted many, many seasoned blue and white collar employees eager to prove themselves in a new setting.

Wide portfolio

It may be a new name in the valve business, but thanks to its origins Valvitalia can boast some well-respected products and staff. "Valvitalia was officially launched in 2002 and we already have a wide product portfolio, covering the valve needs of the oil, gas, power and water markets," comments Mr Ruggeri. "Brands on offer include Vitas, Delta and Tormene. But of course the products are only half the story. People are just as important if we are to properly serve our clients. I like to say that Valvitalia is a perfect blend of old and new, taking wisdom and experience on the one hand and adding new energy and the drive to be the best on the other. So alongside our many eager young employees we have some highly-experienced people in key production and marketing positions."

One of these is Vice President Sales & Marketing Mr Tony Ellis, under whose stewardship turnover already hit some EUR 90 million in 2003. Committed to driving the group to further success, he indicated that a cornerstone for growth is the excellent brand reputation

built up by its constituent companies. "Projects are a major part of our business and the key to winning projects is having valves on approved manufacturers lists. So whilst end users and engineering companies were initially unfamiliar with the name Valvitalia they did respect our brands such as Vitas and Tormene. This opened some important doors for us."

Fast response times are also contributing to Valvitalia's quick growth, believes Mr Ellis. "Our engineering and production departments are both quick and flexible, enabling us to produce tailor-made products according to given specifications. I'd like to add that we have eliminated bureaucracy at all levels. Our goal is to serve the customer, not generate paper trails. So our employees are empowered to take fast decisions without the need for complex reporting structures. Customers welcome that, as well as the fact that we meet our delivery dates."

Another reason for Valvitalia's success is that it has actively sought to round out its product ranges. Marketing Manager Mrs Marica Gentile takes up the story. "We could have taken the easy option and restricted ourselves to the existing valve sizes. However, clients appreciate working with a partner who can solve all their flow control needs, so plans were quickly made to develop large ball and butterfly valves. The basis was the acquisition of this modern factory here in Rivanazzano, which we fitted out with high-tech welding machines and grinding equipment as well as a huge test bench which is one of the largest in the world. Our team here have a tremendous production rate, and can produce ball valves up to 60",



The Vitas plant, run by General Manager Mr Daniele Balzarotti, benefits from highly advanced machinery to produce ball valves up to 60".



At Valvitalia's headquarters in Rivanazzano, major investments have been made into high-tech equipment. Shown is the assembly area, a welding facility for valves up to 60" in diameter and the massive test bench, believed to be one of the largest in the world.

which is the current limitation for pipelines, as well as 120" butterfly valves to meet hydro-power plant needs. However, all our plants are characterised by flexibility, and production is highly efficient thanks to the close attention of Mr Max Ruggeri, son of our founder and Vice President Manufacturing. He takes a personal interest in all orders, ensuring that clients' requirements for delivery times and quality are always met in advance." Looking at Valvitalia's portfolio it is possible to identify one or two gaps though. Mr Ruggeri quickly indicates that these areas are currently being reviewed. "Obviously we are very strong in the standard process valves but right now we cannot offer control valves. However, let me put it this way. In the medium term we fully expect to offer our clients a complete range of valves, taking in on/off, control and safety valves. The intention is not to become a conglomerate but expand horizontally, focussing on the needs of the energy sector. After all, nothing runs without energy! These

markets have great potential, so our own growth is practically assured. Indeed, we already have a very healthy balance sheet and our financial backers are fully supportive of our expansion plans. Our common goal is to grow the business and take Valvitalia onto the Milan stock exchange."

Fabricated equipment

As already indicated, within its core markets Valvitalia aims to meet all its clients' valve needs. However, it is in the gas markets in particular that Valvitalia has another important string to its bow. Mrs Gentile: "Our valve products are particularly complete for the gas business. However, we have a significant extra to offer thanks to Tormene, namely competence in the fabrication of skid-mounted equipment. This is a fundamental point for us, for despite the name we are not just a valve company. In fact, about half our catalogue is taken up with fabricated equipment for the gas market, such as metering, regulating and fil-

tering stations. Pre-assembled and skid-mounted for ease of installation, these units are a real boon for project managers looking to streamline project completion."

Mr Ellis confirms that many package orders had already been taken comprising skid-mounted equipment as well as a range of valves. "Again, the one-stop-shop philosophy comes into play. We see that engineering contractors in particular value the convenience. For gas projects they can place orders for valves for on- and offshore production, pipeline distribution, metering, etc, as well as a whole range of equipment, with just a single phone call. And, of course, there is an additional benefit that all the ordered valves will be built to common designs and standards." There are also very definite plans to strengthen the position of fabricated equipment within Valvitalia, which today accounts for 10 to 15% of turnover. Mr Ruggeri: "We are very proud of the work done by our Group General Manager Mr Giovanni Scovenna, who transformed



Valvitalia takes care of all its important stakeholders. In Rivanazzano, for example, valve buyers can receive extensive hands-on maintenance experience at the well-appointed Training Centre whilst employees are encouraged to work on their fitness levels in the gym.

FACTS & FIGURES

Tormene into a very efficient company with a bright future. Almost every day we see openings, especially in developing markets such as the Gulf Area and Africa. With all respect, the demand for fabricated equipment is partly driven by a lack of qualified welders locally who can work with exotic or critical materials. So there is a huge potential for ready-assembled equipment, complete with the necessary instrumentation, fully tested, etc. Markets include power plants, refineries, gas plants, compressor stations, etc. We believe the equipment market could account for perhaps 30% of our revenues.”

Name:	Valvitalia
Ownership:	Valvitalia Management Team (63%), Valbruna (steel mill), Interbanca.
Headquarters:	Rivanazzano (Italy)
Production:	Rivanazzano, Vicenza, Padova (Italy), Port Harcourt (Nigeria) and Cairo (Egypt)
Key products:	<ul style="list-style-type: none"> Valves: ball (cryogenic, side entry, top entry, fully welded, floating, subsea), butterfly (standard, high performance, cryogenic), plug, gate (standard, through-conduit), globe and check. Fabricated equipment: filters, heat exchangers, gas metering & regulating systems
Brand names:	Tormene, Delta, Vitas, Dyna-Lok, Rotor, Thevignot, Vanadour, Diversified Energy Products
Key markets:	Oil, gas, power and water
Employees:	270+
Turnover:	EUR 120 million (2004 forecast)



Not just a valve maker, Valvitalia can also produce skid-mounted equipment especially for the gas industry. The photo shows Tormene's top management headed by General Manager Mr Umberto D'Angelillo.

Service centres

Asked to describe some of the projects Valvitalia has served Mr Ellis quickly reels off a whole list taking in numerous countries and applications. Evidence enough that Valvitalia is truly a world-wide player. Mr Ellis: "We understand the meaning of being global. On the one hand, for example, we know how to source suitable components abroad. Buying in itself is not that hard, but it takes communication and commitment to create effective logistics chains which can provide quality products at the right time. That's something we are good at and I am proud to say we have developed materials sources outside of Europe and brought them up to standard. Outsourcing some of our commodity needs means we can focus on added-value products."

Another area where Valvitalia excels is in the world-wide selling of valves and equipment. It has a thorough grasp of the needs of international projects and understands how to do business in a variety of cultures and countries. In short, procurement managers can rest assured valves will be delivered on time to facilitate construction. Significantly, Valvitalia has the means and vision to develop local service centres even in areas where others may be more reluctant to invest. Mr Ruggeri: "Everyone knows the importance of being close to your customer. That's the best way to provide effective support, both before and after the sale is made. However, we are not afraid to take action and this, I believe, differentiates us in the market. For example, we have recently established well-equipped service centres in

Egypt and Nigeria and have plans to open another facility in Iran. Our philosophy is simple. First find a local partner as he is ideally placed to talk to clients in the area. Then provide training so that his staff can properly specify and maintain our valves. Finally invest in the necessary hardware, such as test benches, stock, spare parts, etc. End users appreciate that, as it gives them a real degree of confidence that any valve problems can be quickly resolved by someone who speaks their language. Local authorities also appreciate the inward investment into the economy." Asked about his personal experiences abroad Mr Ruggeri says that he has always enjoyed a friendly reception. Whilst his own warm personality will certainly play a role here, Mr Ruggeri says a key reason is the openness with which Valvitalia does business. Potential clients further enjoy working with an Italian company, he feels. Mr Ruggeri: "Here in Italy we enjoy intellectual freedom of thought and have our hands free to work wherever the client needs us to. And whilst we are proud of our own heritage we have a lot of respect for the local cultures and traditions. Wherever I have travelled, from Europe to the Far East and from North America to Nigeria, I have been fortunate to receive tremendous hospitality and we always try and reciprocate here in Italy. As we do, of course, when we exhibit at shows, like the Valve World event this November in Maastricht. That is the basis for long-standing and successful partnerships with both clients and suppliers. Valvitalia therefore extends a warm welcome to old and new customers alike." ■