

C & C Industries – Growth

No one could have foreseen the outcome of one fateful phone call, but C&C Industries co-founders and Chief Executive Officers Dale Lutz and K. C. Chin have attributed their company's success to hard work, commitment to customer satisfaction, a strong team of knowledgeable distributors and even a little bit, to fate. The company was established by the pair in 1999, housed in a 3000 square foot warehouse with three employees, mainly selling butterfly valves and hammer unions.

Valve World Americas had the opportunity to sit down with CEO - Dale Lutz, Vice President - JoElla Bott and Vice President - Force Ball Valve Marketing - Jerry Brown at C&C's now 116,000-square-foot Houston, Texas headquarters, where they currently employ 34 full-time employees, to discuss the company's immense growth over the past 13 years, their growing product line and the reason why C&C is becoming a driving force in the valve and fittings market.

By Sarah Bradley

"One of the goals established at inception was to provide quality products at a competitive price with deliveries that met the customer's requirements. In order to maintain that goal, we have moved to a larger facility three times. Each move was necessitated by our need to increase the amount of inventory we keep on hand, in order to meet customer demand. Experience has taught us that our customers in the broad base industrial and oilfield markets will not typically wait for several weeks for us to deliver products," said Jerry Brown.

Building relationships

C&C has attributed much of its success to the relationships that the company has built with their clients. From coming together to obtain product approvals and working with the smaller companies to grow together, C&C has always maintained that developing lasting relationships and demonstrating mutual respect is an important aspect of their continued success. Experience and sharing knowledge has also been important to the building of client relationships.

customers are going to be. We always have our ear to the ground," said Dale.

Maintaining a large inventory of products to fulfill customer needs is an integral attribute to C&C's business growth and is one of the ways the company maintains its customer relationships.

"Although we generally carry around USD\$20 million in inventory, we believe that maintaining a high rate of inventory turns is as important as the dollar level of inventory. We have developed a system of forecasting customer demand based on using historical data along with listening to the industry and also our sales team," said Jerry.

"The importance of having valves ready-to-ship from stock is huge. Having the inventory allows us to ship same-day and having stock and being able to meet the customer's immediate need, is our strength," said JoElla. "We have solidified the relationships by getting products and quotes to the customer quickly. A lot of customers don't want to call three different companies for 4-5 different items and that's



Dale Lutz & KC Chin surveying inventory at Houston warehouse

"Our people have made us successful; their experience, working every job in the industry and moving up. Having sales people that have touched the products and have that hands-on experience is important. We share that experience with the people that we work with," said JoElla. "If a young engineer comes to us asking for advice, we are here to help them, because if you share that knowledge, you build trust and a relationship and people will remember that when they want to buy from you one day."

"We listen to our customers through normal sales calls, the trade shows we participate in, the organizations we belong to and the meetings we attend. We look to see what is being offered in the industry and what the future needs of our

why we have a diversified inventory. Being able to place one purchase order, buy it all from us and have a single shipment is a huge savings to the customer."

The company has spent the past 13 years cultivating a strong network of outside sales representatives and distributors across the continent. C&C has close to 800 active distributors currently, that range from the majors with 80-100 branches to smaller independent oilfield supply stores. The company believes that their distributors are extremely important to their continued success and at the same time giving C&C the ability to provide for a greater geographical reach. C&C relies heavily on the ability of their representatives to oversee their territories with strong regional market knowledge, as



Shane Scanlin inspects C&C's Red Iron

well as product knowledge. Some of their representatives also carry large stocks of consigned product for territory supply.

"Our distributors continue to be the lifeblood of our business, in that they maintain a relationship with the end users in their area and are truly significant in the marketing plan we have endorsed for C&C," explained Jerry. "The main quality that we look for in a distributor is their willingness to work hand in hand with us to grow our mutual businesses."

Business Growth & Expanding product lines

Over the past decade, C&C has expanded its offering to a full product line of high

quality valves and fittings ranging from 1/4 inch threaded ball valves to 48 inch pipeline ball valves, butterfly valves ranging from 2 inch to 54 inches, 1 inch to 12 inch hammer unions with pressure ranges from 1,000 psi to 15,000 psi, as well as expansion joints, swage nipples, Red Iron, bull plugs, swivel joints, bolted sleeve couplings, needle valves, grooved valves and couplings and high pressure plug valves.

In order to meet industry demands, C&C has introduced some new products such as the TFE Butterfly valve with 2-piece wafer split body design to allow for easy maintenance. These valves employ Bellville spring washers that force the seat against the stem to ensure that fluids do not enter the stem journal. The TFE valve is generally used in corrosive services such as for acid fracs in the fracking industry and other applications where BUNA-N and EPDM seats are not chemically suitable.

C&C has found that many of its competitors have chosen to provide commodity type carbon steel trunnions and floaters, while the company has elected to go a step further with their Force brand product offering for cryogenic and severe service applications. C&C is currently stocking common size and pressure full stainless steel ball valves and also have the capability to provide ball valves manufactured using high alloy and austenitic material. Three-way ball valves may also be supplied when required by the customer. The company has also taken a special approach with their Red Iron product line for high pressure 5000 psi-15,000 psi applications, offering both a domestic-made and a Korean-made product, both manufactured to the same



Martin Meza performs hydrostatic test on Force 8" Class 600 Ball Valve

for the Future

high standards, while allowing customers the luxury of deciding their product of choice.

The expansion of the product line coupled with increased sales necessitated the expansion of the company's Houston facility. Additionally, Dale and K. C. partner in C&C's sister company – CCTX – located in Edmonton, Alberta which was established to service the oil and gas markets of western Canada. This global presence has allowed C&C to grow their business at a rate of 50% annually. C&C's ball valve manufacturing partner – Dongsan Valve Company in Kimhae City, South Korea - has also experienced significant growth in recent months, which will be an important contributor to the company's continued growth in the future. Dongsan recently broke ground on a new state-of-the-art facility in order to streamline their manufacturing and assembly and test operations.

"This is such a big event for us, as well as for Dongsan. The new facility will more than double our capacity, help us lower our cost through the addition in newer, faster machining centers and now more work can be handled under one roof. Dongsan has designed the new building from the ground up, with the sole purpose of high quality valve manufacturing," described Dale. "The facility will have several buildings in the compound, some off-site facilities, as well as the casting company which will put almost everything under one roof. The owner of the company is really aggressive about finding the latest and greatest equipment and now we can have machining, assembly and testing all done in one place for better flow and efficiency, which will also ultimately shorten deliveries."

"Dongsan has been manufacturing valves for almost 30 years. We began our partnership with them 9 years ago when they really had no distribution in North America and we really helped grow that business for them. We are pleased that they are expanding to keep up with current demand," said Dale.

The future is now

C&C is excited about the positive new developments that the company is working on for the future. Recognizing the importance of quality products and quality service to establishing their brand within the marketplace, C&C has decided to communicate their commitment to



C & C Industries World Headquarters – Houston, Texas

quality to their customers, by electing to undergo the ISO certification process. Hoping to implement the program by the end of this year, C&C is currently in the final stages of certification and believe that ISO will provide a universally recognized medium to demonstrate to current and new customers that quality comes first.

"We have long recognized the need to be involved in quality assurance and quality control; to review the products that come in, to ensure that when a C&C product goes out the door, it's a high quality product. Our goal is to make sure that when a valve leaves our warehouse, we know with confidence that it is ready to go and do the job it was designed to do. The ISO program is the first step in that direction and we are also planning to have an API 6D monogram for our facility," Dale explained. "Our quality control will include a visual inspection, mechanical functionality, tolerance checks and pressure test. We are testing the valves when they are made and re-testing them here at our own facility and offer full material test reports, which is an assurance to us and our customers. It's a long process, but we want to get it right the first time."

As for their business, everyone at C&C is confident that the valve industry and their role in supplying quality product for the energy sector, has a very bright future. C&C believes that the worldwide energy demand will continue to increase, the

United States will turn more to energy independence and the valve industry and C&C will continue to experience steady growth to match the demand.

"The shale plays in the U.S. will afford many opportunities for the valves and associated products that we market and considering the abundance of natural gas in the U.S., we believe that we will see more and more LNG plants being built on the Gulf Coast – thus increasing the demand for cryogenic,

as well as standard trim ball valves," said Jerry. "As for C&C, we are going to continue to maintain great distributor relationships and keep on providing quality products at competitive pricing with on time deliveries and continued great customer service."

"We are going to continue to grow with the industry, because there is so much potential for us," said Joella. "This is the greatest industry to be in. I wouldn't want to be anywhere else."



Joella Bott and Jerry Brown pictured with Force 12" ANSI 1500 Ball Valve



C & C Industries World Headquarters – Houston, Texas

C&C Industries at a glance

Company Name	C & C Industries, Inc.
History	Founded in 1999 by Dale Lutz and K. C. Chin
Mission Statement	To super serve the oilfield and industrial market sectors with high quality products at competitive prices. To not only meet, but exceed the customer's expectations and delivery requirements.
Locations	Company owned facilities in Houston, Texas and Edmonton, Alberta. Consigned inventories located in key oilfield areas throughout the United States.
Specialty Product Offering	Same Day Shipments Hammer Unions, Butterfly Valves, Threaded Ball Valves, Threaded Check Valves, Needle Valves, Swage Nipples, Bull Plugs, Expansion Joints, Grooved Couplings, Bolted Sleeve Couplings, Red Iron, High Pressure Plug Valves, Chokes, Cast Steel Gate, Globe, and Check Valves, FORCE Ball Valves
Marketing Strategy	To sell the end user market exclusively through distribution.