

## SJV – first class glo



says, "All our offices and factories are in the same facility at the same location here in Yueqing, which makes for better internal communication and synergy. We employ around 400 people, which demonstrate SJV's high level of organization and automation of our facility. This commitment to increased efficiency is reflected by the highly trained and motivated sales team members and knowledgeable staff we have recruited."

That was the starting point and from there he took on technical people and started to design and develop SJV's own valves, using his and his team's technical know-how together with parts from local foundries and material from the area. The engineering team, of about 30 people, was divided into groups by products. Engineers in gate, globe, check valve, ball valve, butterfly and plug valve automation are divided into teams with specific specialties and focuses of expertise. "The importance of having well-educated and knowledgeable staff should never be underestimated. With the efforts from the staff, the company operates with extreme efficiency in both the offices and factory areas," revealed Mr. Hu.

**Shenjiang Valve Co., Ltd (SJV) was founded in 1979 and is now a leading valve company in China. Since its establishment, the company has enjoyed steady growth, which has helped them develop a solid worldwide reputation.**

**This is SJV's first spotlight in Valve World Americas, so we sat down with Mr. Tom Hu, Vice Sales Manager for SJV, to discuss the history of the company, their wide array of products and what the future holds.**

*By Zhu Yixing*

### History and development of SJV

When asked about the origins of Shenjiang Valves, Mr. Tom Hu, Vice Sales Manager of SJV explains, "SJV is a family business. The Chairman, Mr Ye Xuqiang realized that there would be a great demand in the oil and gas, power, petrochemical industries, which would result in a great demand for valves. With the background of being an experienced engineer in a government owned factory, he decided to start up a company to manufacture valves. In the beginning, we only had one small factory and several machines. With the increased capacity and capital investment, we have grown to become one of the best valve manufacturers in China."

As sales increased, SJV began to receive big domestic orders and the company also started to receive orders from other parts of the world, beginning to export products to clients globally in 1993. Now, SJV specializes in the production of gate, globe, check, ball, butterfly and plug valves for any available size all over the world.

"We have manufactured 173 Motor Gate valves for one project with sizes from 24" to 48". These large size valves challenge



our manufacturing abilities but help us achieve the greatest success," Mr. Tom comments proudly. "In 2008, we had the factory expand to 108 acres. That is a mega project with investment from the local government. We got several billion USD capital investments. From then on, the pride we have in the quality of our valves is what sets us apart from other local factories. Now we continue to invest in the improvement of our facilities, product quality and management."

SJV primarily focused on the OEM business, later they realized that their key customers are non-OEM vendors. With the billion USD orders and the possibility of investment from the country, SJV took this opportunity to develop their own brands with the name we know today as "Shen Jiang Valves (SJV)" The mission was clear - the more the company invests in research and developing technologically advanced products, the more profit and market share SJV can achieve. High-tech products are competitive in the market. The company is happy to book the orders first, but SJV strives to build the relationship with their clients and ensure long-term partnerships. SJV's primary goal is to set very high standards for everything they do and continue to strive to become a prominent valve supplier for projects around the world.

### Product, Capacity and advantages

With the goal of being the number one valve manufacturer in China, SJV has made strategic investments in various areas. A new factory has been constructed, which more than doubled the covered floor space to 7,000,000 m<sup>2</sup>. Moreover, new high-tech equipment such as grinders and milling machines have been added. This has helped to significantly broaden the company's product range. Mr. Tom Hu



For example, they added the FMC – line of equipment, which cost more than thirty million RMB. The precision and accuracy of their manufacturing greatly improved from raw material to the half-finished product, all the processes can be done in-house, which greatly increases the production efficiency. SJV has also invested in a large vertical lathe, max 5.3 meters, which gives the company the capability to produce large size valves. Last year when working on a project in Venezuela, an order was placed for 173 pcs from 24 to 48 inch Motor Gate valves. The large vertical lathe enabled SJV to complete the difficult order and the customer experienced on-time delivery of the quality products. With this new equipment, SJV is able to make ball valves in large sizes – up to 56 inches and has even supplied an 88 inch Plunger valves to a client in the Middle East.



## bal valve supplier

SJV can precisely meet and exceed all their customer's expectations and specifications, also in terms of quality assurance, single sourcing, quick deliveries, etc. "In recent years we have focused exclusively on producing different types of valves. However, if a customer should request spare parts, trims for other designs and many other custom requests we would certainly be pleased to oblige. Apart from valves, we still supply the devices called HIPPS, which consist of valves, control system and pipe lines. Many clients come to us for booking these high-tech products. Our key products are gate valves and ball valves, but we are still in developing valve automation, including control valves, axial flow valves and valves for the aeronautical industry. We can also accommodate special materials for severe service and valves with superior erosion and wear resistance, as well as corrosion protection," Mr. Tom Hu said. "We also offer a huge range of special tests such as cryogenic testing, fugitive emission testing, vacuum, hydrostatic, high temperature and so on. Looking at our after sales market, we give a warranty for our products and we have a team dedicated to helping customers on site if required."

### Clients and industry

In order to support this and other global projects, SJV uses three separate distribution channels - direct with the end-user, with distributors and with the EPC contractors and engineering companies that are working for the end customers. The main channel of the overseas business for SJV is through outside sales agents. "We are here as the center, and then channel to the agents throughout the world. After doing the business of OEM, we now do the business of our own engineering company and owners, including doing certification, auditing, as well as some necessary technical and commercial clarification. Our domestic team and colleagues abroad work together as a team to win the projects."

Regarding the industry, SJV provides the most products to the oil and gas industry, but also focuses on hydropower, thermal power, nuclear, chemical and fertilizer, water treatment and desalination industries. Supplying to the domestic nuclear power market is also an important business for SJV and the company is involved in the maintenance, repair and



for more than 30 years. We work closely with various companies from the Middle East, such as Iran and Saudi Arabia, and Southeast Asia, such as Malaysia, Bangladesh and India. We are still supporting plants during maintenance and repair operations and of

Inspections were carried out for six months. At that time we placed great importance on supporting this order. After that, Petrobras also sent a team to our company for review. Finally, we got the official certificate of CRCC. With this certificate, there are few limits for us on business in South America," explained Mr. Hu.

Mr. Hu adds that North America is definitely an interesting region and one where SJV has found trade shows to be an excellent way to reach out to potential customers. "North America is of course rich in oil and gas, so there is a natural customer base for us in that continent. We will follow developments of shale gas and explore more good agents and stockiest there."



SJV attributes its success in business to two key elements: product quality and customer service. Mr. Hu states, "The management of the company has put great emphasis on quality. What does quality mean for valve users? Perhaps the easiest assessment is to consider the cost of non-quality. By that I mean the direct and indirect costs of a valve failure. If a cheap valve fails in a critical application, then the cost of solving the problem is many more times greater than the initial cost savings. We maintain close communication with our clients. Our customers have faith in us, trusting in our technical capabilities and our equipment. Also we value the importance of investing in people."

replacement of valves for the nuclear sector. Shale oil and gas will be an opportunity for further development for SJV with the advances in extraction technology and the large reserves located in China, Russia and the United States.

### Overseas market

Being a longstanding global supplier of valves for a large variety of oil and gas and chemical and petrochemical company means that the products are used in a wide variety of applications and projects. "We have been heavily involved in all kinds of projects

course, there are still a lot of projects under construction and planned for the coming years," maintains Mr. Hu.

Another important market for SJV is South America, where the company is doing business in the oil market mainly through agents. "Petrobras in Brazil has an important certification, the CRCC. We got a CRCC quasi-certification in about two-year period. In the next two years they gave us some orders. I remember in 2010 when we got a list of 1.7 million dollars from the engineering company. Petrobras sent an experienced engineer to do inspection, including tests of valves and spare parts.

### Looking into the future

Asked what he foresees for the valve industry, Mr. Hu replies that, "The oil and gas industry and the connected petrochemical industry are driving the growth of the valve market. In addition to the midstream market we also manufacture valves to meet the upstream, downstream, and power market demands. I would say we have the ideal mix of both a family company with private finance, flexibility and passion, with that of a larger public company with management expertise, structure and industrial strengths."

Looking into the future of Shenjiang Valve, Mr. Hu concludes, "In the future we will pay close attention to the traditional market, targeting the high-level market. Our products will be traditional products with different sizes and high-pressure development. SJV would like to have a bigger presence in the market and be top of pyramid in the valve industry."

