

Velan: New president leads

Having been in business for over 60 years, Velan is continuing to build on the strength of its accomplishments by embracing the innovative and entrepreneurial spirit that has been the cornerstone of the company's management from day one. With three generations of the Velan family actively involved in leadership roles, Velan has for the first time decided to empower a new president from outside the family. Valve World Americas had the opportunity to meet with Mr. Yves Leduc to discuss his new role as President within the company, the combination of assets and strengths that make Velan unique, and the strategic targets for the future.

By Sarah Bradley

Velan has had a rich history of innovation, since its establishment by A.K. Velan in 1950. The Montreal, Canada-based firm has experienced continued success and immense growth in recent years, capping off a decade in which the company's gross revenues increased almost threefold.

With the vision of expanding the company further, the family enlisted an advisory committee to take on the difficult and important task of searching for a candidate outside of the family to join Velan in a leadership role. Searching for the ideal candidate to bring in fresh ideas, help drive innovation, and harness the strength existing within the company was no easy task.

"I am very happy that we have found such a talented leader to join our company and I believe that he will have a very positive impact on the future of the company. For the starting period, Yves will have responsibility for Velan North America as well as for some specific tasks with a global scope. He will take on increasing global and corporate responsibilities as he gains knowledge and experience about our company," said CEO, Tom Velan.

Yves Leduc began his career as a lawyer before being recruited to work for McKinsey and Company as a management consultant, where he learned a great deal about strategy, business management, and the industrial world. With his proven expertise in industrial markets, Yves was later recruited by another family-run company, Bombardier Recreational Products (BRP). There he spent six years at Rotax in Austria, BRP's engine division where, before becoming its General Manager, he headed production planning, materials management, supply chain logistics, and project management. As he says, "Like Velan, Rotax relies heavily on machining operations, as well as assembly. And so, as the person responsible for the development of lean enterprise, I think my Austrian experience helped me quickly understand Velan's manufacturing model."

Later, coming back to North America, he headed BRP's largest division, overseeing manufacturing, sales, marketing, logistics, and network development.

"I became attracted to these types of institutions that have been around for such a long time. They have a long history, a long tradition. They carry a heritage of tangible, authentic values that has allowed them to build a strong foundation in the company and truly become business leaders," Yves explained. "You see a wealth of knowledge and knowhow inside Velan that is over 60 years in the making and you see terrific brand reputation. That's something that can only come with time and a constant commitment to making top-quality products."

Fostering family values

Yves credits the Velan family for their supportive welcome and believes he is in an ideal position to further increase the company's market share worldwide.

"I can't think of how I could have had better support from the family. My mandate is the right one and Tom is an impressive person, one of the most humble people that I have met, unassuming and incredibly smart and knowledgeable. We make a good team already," said Yves. "I believe that it's important to remain humble by acknowledging what you still need to learn. When I joined the company, Velan was able to recognize what was relevant in my background and we are working together to develop our combined vision for the company. In the end, I'm like an orchestra director and I am surrounding myself with a team that is extremely talented and knowledgeable about successfully doing business in the valve world."

Developing a meaningful relationship with the company and family was critical in the process of introducing Yves into his new role. Nurturing the bond and fostering



Velan President Yves Leduc with CEO Tom Velan.

synergy was vital in setting up future growth plans.

"I took some time off between leaving my previous position and accepting this one and, ironically, I had a meeting the day after my departure and the opportunity at Velan was mentioned. Consequently this relationship started eight months before I actually started with Velan. During the process, the search committee was very rigorous and the length of the process also ensured that I didn't hurry to jump on the first opportunity that was presented. I had the chance to develop a relationship with the Velan family and get to know the industry better," explained Yves.

"My level of excitement about joining the company continued to grow over this time. I really love this industry. After all, energy is what drives the world. It is exciting to be part of this, and my goal is to figure out how

we can draw the best out of Velan and make it even better."

Already a number of months into his formal role in the company, Yves is beginning to settle into his new position and has learned a great deal about the idiosyncrasies of doing business at Velan.

"Understanding the culture and the people within a company is everything. You really need to understand where the company is coming from and why certain decisions were made. It's about doing a lot of listening. I have been immersing myself in the business, walking through the plants and talking to employees, talking to customers, and developing my own type of diagnostic of what's good, what's strong, and what needs improvement," said Yves. "I've also been identifying areas that can be leveraged, where we are very strong and unique in the world. I believe this will translate into growth for Velan."



An automated welding unit in Velan's French plant, where the operator sets the parameters and then views the hardfacing operations on a screen.



Robotic hardfacing of a dual-plate check valve.

next generation of growth

Yves has already put an operational excellence mandate into action at Velan, identifying the need to improve delivery times as an important initial focus. The natural evolution of the industry over the past 10 to 15 years has led to companies such as Velan being asked to deliver greater numbers of custom-designed and manufactured valves as well as the usual commodity stocked products—all on increasingly tight timelines.

"Customers have more and more specific demands and one of Velan's strengths is delivering those special valves to power plants, refineries—the entire energy industry. In addition, our valves are being implemented in ever harsher environments with more corrosive media and higher temperatures. When you combine these demands with the fact that the company has grown significantly over the last few years, there is a clear need to step back and see how we can ensure lead times are reduced," Yves revealed.

Growing through innovation

From submarines to oil refineries, nickel mines, and nuclear power plants, Velan valves are installed in industrial applications worldwide. The company sells hundreds of thousands of valves to customers across the globe each year. Over the years, Velan has consistently expanded its product range of multi-turn and quarter-turn valves, mainly through internal R&D.

Innovation and entrepreneurial leadership have always been cornerstones of the company's culture. Maintaining their position at the forefront of industry technology and anticipating customer needs has likewise been one of the qualities that has helped Velan stay ahead of the competition.

"This is an industry where innovation needs to be defined sharply in terms of how it will truly create great value for new and existing customers. We have standards and long-standing certifications set out for valves to conform to in specific applications. The innovation is not about reinventing how an API600 valve needs to be designed, for example. Innovation is about understanding customer needs, those who have specific applications, and then quickly adapting existing designs to suit those needs. I think that is one of Velan's greatest strengths," said Yves. "Our engineering team has the combination of a deep knowledge and the ability to rethink designs required to meet customer needs in a very swift manner. Innovation is part of the Velan DNA: It's the air we breathe. The energy industry moves fast, is extremely dynamic, and we need to be on top of that reality and serve our customers better."

Because ongoing innovation is crucial to the company's success, Velan is dedicated to investing in the next generation of top-quality engineers. Velan has had a strong relationship with the research staff at Montreal's famed École Polytechnique de Montreal (EPM) for more than a decade. Over the past few years, the company has taken that relationship a step further by accepting an invitation to join the university's Industrial Chair supported by the Natural Sciences and Engineering Research Council (NSERC) of Canada's research chair program and by six other industrial partners.

"This program offers Velan a chance to raise our research and development to a higher level," says Gil Perez, Vice President, Engineering, at Velan. "And it also offers a tremendous opportunity for collaboration with people who have overlapping interests as well as the opportunity for cross-pollination of ideas." The tradition continues with Velan ABV, Velan's subsidiary based in Italy, where research on a high-efficiency valves project is underway in partnership with the University of Florence.

Looking to the future

Both Tom and Yves are confident about the growth opportunities that lie ahead for Velan. "We are driving an operational excellence plan in our North American operations, focused on improving our global supply chain performance, project execution and lead times, and cost competitiveness. These initiatives, combined with our superior product portfolio and track record for quality, will strengthen our position in serving each of our markets worldwide," says Yves.

Tom adds, "As we proved last year, the company is resilient and able to withstand unexpected swings in demand, owing in large part to the knowhow of our people and to being diversified both geographically and by end user markets. We have a solid order backlog of \$437.8 million, as we go after sales opportunities in a very competitive and challenging global market."

"Innovation is absolutely going to be part of Velan's future," Yves concludes. "It has been the basis of the company's past—invention, engineering, and developing new products to meet emerging needs. We will also increase our focus on markets where we see growth and where our distinctive capabilities allow us to lead the field in supplying valves that perform in the toughest environments," he said. "Velan has a combination of assets and strengths that are impossible to imitate. This, combined with the focus areas we want to target strategically, will make for a very exciting future."



Velan coker valves in service.

A.K. Velan receives Gold Medal from Engineers Canada

Amongst a long list of honorariums to add to his legacy, A.K. Velan, Founder and Chairman Emeritus of Velan, has been awarded the 2015 Gold Medal by Engineers Canada.



A.K. Velan
Photo Credit: Denis Bernier

This award is presented every year to an outstanding engineer who has stood out for his contributions to the profession. Amongst the numerous awards Engineers Canada gives out every year, the Gold Medal Award is their top distinction, dedicated to those that are truly at the top of their profession in terms of individual achievement.

This award once again demonstrates that Mr. Velan has gone far and beyond his mandate as an engineer within the valve industry. His achievements as an entrepreneur, scientific researcher, and all-around outstanding Canadian citizen represent his commitment to the community of engineers and to the safety and well-being of Canadians.

VELAN AT A GLANCE

History	Founded in 1950
People	Over 2,000 employees
Global network	17 production facilities 5 stocking distribution centers Hundreds of distributors worldwide Service shops worldwide
Product line	A world-leading range of cast and forged steel gate, globe, check, ball, triple-offset butterfly, knife gate, highly engineered severe service valves, and steam traps offering superior performance across all major industrial applications.
Primary industries served	Fossil, nuclear and cogeneration power, oil and gas, refining and petrochemicals, chemicals and pharmaceutical upstream, mid-stream (onshore, offshore, subsea), LNG and cryogenics, marine, HVAC, mining, water and wastewater, pulp and paper
Velan value	Strong management team, stable company Products proven to offer: <ul style="list-style-type: none"> - Low emissions - Easy maintenance - Long and reliable service - Low total cost of ownership - Quality that lasts

This Spotlight article is paid for by Velan. The views and opinions expressed in this article are those of the profiled company and do not reflect the position of Valve World Americas.



Fugitive emissions testing of a 4" (100 mm) Class 600 cast steel gate valve.