

Forum Valve Solutions – Smart

Forum Energy Technologies was formed in 2010 by a merger of five diverse oilfield companies. The intent was to establish a diversified company engaged in the manufacture and provision of services for a broad array of markets in the oil and gas industry.

While Forum's name is only seven years old, its heritage brands (including ABZ, DSI, PBV and Quadrant) are well recognized with decades of history in their respective industries. Valve World Americas had the opportunity to speak with Vice President of Operations, David Marshall and Senior Product Manager, Richard Harmon to discuss their recent acquisition, international expansion and what is next on the bustling forefront of the oil and gas industry.



By Kelly McLaughlin & Sarah Bradley

Since its founding, Forum has made significant strides in the market through a disciplined strategy of organic growth and strategic acquisitions. Forum Valve Solutions is no exception; each of its legacy brands has decades of recognition in its respective markets. In early 2017, Forum announced the acquisition of substantially all of the assets of Cooper Valves, which added two products to its portfolio. The first is the Accuseal® metal-seated ball valve: a cutting-edge valve designed for severe service applications with a leading product in the power industry. The second addition is Cooper Alloy Valves, a gate, globe and check valve brand with decades of industry recognition and a very strong following in the downstream chemical industry.

Strategic Approach to the Market

While still a young company, Forum is unique in that it has been able to maintain a strong entrepreneurial spirit with a very disciplined and strategic approach to serving the global markets. "We remain focused on sustained profitable growth at our core, but we are agile enough to make required adjustments when markets shift," explains David Marshall. "At Forum, everyone has a voice, and this aligns with one of our company's core values of maintaining a 'Good Place to Work'. It is our people and their ambition and drive to serve our customers that differentiates us from similar valve companies."

Richard Harmon believes that the company's loyalty to its values allowed it to thrive in an otherwise trying time for the industry. "While the downturn in the market over the last few years has proven very challenging, Forum Valve Solutions met the challenge by sticking to its core principles of quality products and customer focus, allowing us to take market share from our competition even as the overall market declined. This put us in a favorable position when we began seeing signs of recovery in 2017."

David attributes Forum Valve Solutions' strong position and longevity in the market to five core strategic initiatives: strong brand reputation and history, exceptional distribution and sales channel partners, long-term robust and capable supply chain partners, solid manufacturing and operational execution, and "Most importantly," he says, "a team whose commitment to serve the customer is unmatched."

Richard believes that nurturing existing relationships comes down to driving service through the organization. "Having a disciplined process of listening to your customers, understanding what they are asking for and gearing your organization to respond is a very large task and one that never ends. We believe our focus on our customers' needs strengthens our relationship with the customer."

When it comes to forging new relationships, the goal is similar, but the process is somewhat different. Forum Valve Solutions focuses on products that are specified (i.e. engineered products, or those controlled by an Approved Manufacturer List), and they find that the best way to approach this type of selling is to establish a direct relationship with the end user, explain the benefits of their product and to be specific. In this way, nurturing and growing their relationships with end users is key.

The Forum Valve Solutions portfolio covers a wide variety of industry segments, and a user community based on heritage brand historical market positioning. For example, their ABZ brand has a strong position in the general industries segment, where industries like mining, automotive, water and wastewater are at their core and have been throughout their history. The DSI gate, globe and check offering has significant strength in the downstream refining space and PBV floating and trunnion ball products are predominantly mid-

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stream and gas utility plays. Additionally, Quadrant has the unique ability to cross multiple industry segments with roughly equal representation in downstream chemical and upstream oil and gas. The Cooper Valves acquisition has given the team the opportunity to penetrate the power market, following the lead of the Accuseal® severe service metal seated ball valve products, which has proven to be a key addition to the portfolio. When it comes to their wide array of products, their challenge is to cross-sell the entire portfolio into industry segments where brand awareness may not be as strong. "All of our products are of exceptional quality and reliability," David attests, "and we will continue to introduce and sell the portfolio across all relevant industries."

Trends and Innovations

The valve business continues to change and evolve at a rapid pace. The industry has largely gone digital, liquid and gas processes are more automated, and testing criteria for valve products have become significantly more stringent. With end users expecting so much more reliability, longevity and improved performance from their valves, it is critical for manufacturers to keep pace with customer expectations and industry trends.

Forum Valve Solutions works diligently to stay ahead of these market demands; for one, it frequently performs VOCs ("voice of customer" sessions) to assess future product needs and enhancements, along with using a variety of market intelligence platforms to drive their decision-making. It relies



Solutions, Powerful Products



heavily on global and local distribution partners, as well as sales representatives, who David mentions are very well connected and plugged into industry trends and needs. Lastly, its team maintains strong positions with industry governing boards like API, ISO and MSS to stay compliant, relevant and current with the technical merits of their product lines.

Key Products and Features

Richard Harmon notes that one of Forum Valve Solution's key product offerings is the PBV 3-piece trunnion mounted ball valve. "It is our premier configure-to-order ball valve product, and we have designed it from the ground up to support that goal," he explains. He adds that it can meet a broad array of end user process media requirements with a large selection of soft goods that are interchangeable, and that it has in-house capability to execute customer requirements such as special coatings and paint, operator extensions for buried service, custom end connections and "a host of other special requirements."

Another key product in its current offering is the ABZ ABZolute High Performance Butterfly Valve. According to Richard, ABZ's advanced seat design is the heart of the valve; it is offered in both soft-seated and metal-seated configurations and its unique design features allow it to seal under both high and low differential pressures. The pressure-assisted solid seat design does not use secondary components like O-rings or springs to seal, and thus service life is maximized, and maintenance requirements are low.

Historically, new product and product life cycle extension activities were more limited in scale at Forum Valve Solutions. It tended to focus on either incrementally improving the products that were already offered or branching out into adjacent areas that complemented its current product offering. Take, for instance, the PBV Slab Gate that they brought to market in 2016. PBV was already a market leader in the midstream space, understood well the principles of design from Forum's long history of soft-seated design and had decades of experience in managing a supply chain to produce the highest-quality castings in the industry. "So," says Richard, "when one of the key market channel partners asked us to

take on the challenge of this new product, we saw it as a natural fit."

In the present, new product development has become one of the most important components of the Forum Valve Solutions strategy. It plans to execute a robust product-development program through a mix of in-house R&D and strategic acquisition initiatives. "A good example of executing this acquisition strategy," notes Richard, "was our purchase of the Cooper Valve assets last year. Not only did we get a market-leading severe service ball valve technology (which greatly increased their footprint in the power market), we are also achieving synergies through new technology and expertise spreading to their other valve products."

Quality Products; Distribution Efficiency

The Forum Valve Solutions portfolio maintains exceptional BCC ("best cost country") supply chain partners for of its products, David assures, adding that many of these preferred supplier relationships have been in place for twenty – even thirty – years.

"We partner with our suppliers and support them so that both organizations can benefit and grow each year while working in unison to support the customer base and their valve needs," he explains, noting that Forum has also elected to embed key supply chain and supplier personnel at the source. "We have many quality resources, both at our manufacturing plants and at our supply chain partner locations to make certain that we are providing high-quality and reliable products." Their in-house manufacturing process realizes costs savings from their dedicated LEAN/CIP resources utilized to optimize manufacturing and streamline production.

As the valve business continues to evolve, the demand for quality, reliability, performance and a competitive price is a clear requirement for all manufacturers in the industry. As such, says David, Forum "continues to strive to offer the right product at the right price and at the right overall value to our distribution partners and the end user"

When it comes to customer satisfaction, Forum Valve Solutions recognizes the importance of meeting deadline and delivery requirements and David indicates that they have a thorough and

robust sales and operating process to drive inventory decisions by region. In North America, it has a multi-phased approach to product availability in which large inventories of ABZ butterfly, DSI gate globe and check, Quadrant floating ball, PBV trunnion and floating ball, as well as the Accuseal® metal seated ball valve inventories are kept.

With strong inventory positions throughout the USA, as well as at their wholly owned distribution center, Pro-Tech Valve Sales, in Edmonton, Canada, Forum Valve Solution's sights remain on how to best serve the customer. To do so, it builds finished valves to stock on some products to shorten lead times and relies on its distribution stocking programs to support end user lead-time requirements.

Internationally, Forum Valve Solutions continues to focus on its geographic expansion strategy. This strategy takes the form of a range of initiatives to serve regional markets, including: increasing local inventory of product, moving sales support closer to the customer, partnering closely with global distribution channels, and commissioning new manufacturing facilities to assemble and test valves in the targeted region.

One geographic expansion initiative already underway is a new manufacturing facility in Saudi Arabia. This facility will allow Forum to manufacture several of its core valve product lines in the region, combining the flexibility and intimacy of close proximity to the customer with the power of Forum's robust global supply chain. This initiative is nearly complete, and it is expected that it will pay off dramatically in terms of improved customer service and increased market share. In the future, Forum Valve Solutions plans to expand to several other regions to better serve their customers.

Network and Acquisitions

Given the diverse nature of its portfolio and heritage brands, Forum Valve Solution's channel to market strategy varies by product. Throughout much of North America, it relies on strong partnerships with distributors; however, some products are sold through an exclusive representative or a direct sales route. Internationally, Forum Valve Solutions relies on major global distribution partners or direct sales at the EPC and end user level (which is contingent upon the product and its traditional sales channel or based on market expectation).

Historically, notes David, the Forum Valve Solutions team has focused more on product enhancements than on completely new technologies. "However," he says, "our current and long-term strategies have a nice mix of new product enhancements, and research and development, coupled with acquisitions of new products and technology." For example, Forum is currently working on a product enhancement project for their DSI forged gate, globe and check line and are looking to optimize their PBV flange floating ball valve designs.

Regarding the quality of their valve products, Forum Valve Solutions performs a broad array of testing, both internally-specified and customer-specified — one

example being the low fugitive emissions testing required by standards such as API 624, API 641 and ISO 15848. It also has an active task group comprised of sales, product management, engineering and purchasing to work on identifying and executing low fugitive emission testing to keep valve products ahead of the compliance curve.

Growing Into the Future

With the addition of its facility in the Middle East, an expanded presence in Southeast Asia and continued strong execution in Latin America, Forum Valve Solutions expects considerable growth for the valve team. David indicates that it will also work to increase in-house manufacturing capabilities domestically by adding more value-added elements to the offering.

"Forum Valve Solutions has a very long runway in this industry," asserts David. "We will continue to globalize our footprint and position ourselves to better serve the customer base with a global reach and a local presence." What do we have to look forward to from Forum, moving forward? Plenty, it seems. The team will continue to expand upon its already-impressive portfolio through new product enhancement, research and development and, on the heels of its success with Cooper Valve, continuing to focus on ways to execute their acquisition strategy. Ever consistent in its ambitious momentum, Forum Valve Solutions is far from slowing down.

