

Valve World

Volume 18, Issue 2 March 2013

**ViNtrol - How
friendship can create
a successful business**



Oil & Gas / Refinery



ViNtrol – How friendship can create a successful business

When Mr. Mahesh Desai, founder of Virgo, was exploring opportunities to consolidate his company’s business in North America, he turned to his friend Mr. Bill Neimann, a veteran oil & gas executive, for help. So began one of Valve Industry’s most successful partnerships, based on mutual commitment to similar values, business ethics, trust and deep respect for each other. The two together launched the ViNtrol brand and product line in 2005. Valve World visited Mr. Neimann, President, at the company’s headquarters in Oklahoma, USA, to learn more about this interesting history, the company that is ViNtrol today and how they see the road ahead.

By Sarah Bradley & Christian Borrmann

History

While making their mark in Asia and Middle East, Virgo was still relatively unknown in the United States. To overcome this, Mr. Desai needed a partner who knew the industry, market practices and customer demands. Mr. Neimann was the obvious choice for pioneering this journey as he points out: “Mahesh and I got acquainted through our other businesses and then we got together and formed ViNtrol back in 2005”. The Oil and Gas Market in the United States is one of the most demanding markets in the world. Product



specifications and requirements are stringent. In most cases, product availability for projects and ongoing day-to-day needs are expected to be in stock with, "Same Day Service". ViNtrol's headquarters are strategically located in Oklahoma City, OK, the heart of the US Oil & Gas Industry with over 1.5 billion dollars in valves produced annually. This would present a great challenge. The local competition, already well entrenched in the US Oil & Gas Market, had years of experience and a proven track record. Mr. Neimann states, "ViNtrol grew from a startup to just over 6 million dollars in its first year". This initial

success created a need for additional resources. Therefore, ViNtrol began to recruit talented industry professionals for its customer service, engineering and quality departments. ViNtrol knew to be successful they had to be innovative in their approach to the market. They focused on the end users to get their approval to purchase their valves. This led to additional sales as ViNtrol sells through distribution and obtaining end user approvals facilitates additional support from distributors.

ViNtrol ball valves were designed and engineered to meet the demands and needs of the US Oil & Gas market. Beginning in a 20,000 square foot facility and three fellow valve professionals, the new brand and company under Mr. Neimann's leadership began selling valves. The additional daunting tasks of managing the right inventory levels and ongoing continuous change in product mix are where his valued customer relationships, industry knowledge, and professional experience came proved invaluable.

Like most new businesses, the first year was challenging. Among the many challenges, just having the right valve available in stock for customers was and remains one of the biggest tasks. Additionally, the ViNtrol brand and products were new to the market. This made the challenging reality of being unknown and without Approved Manufacturer status a hurdle to overcome. Despite these obstacles, ViNtrol pressed forward keeping a keen focus on the needs of their customers and as Mr. Neimann points out, "this really helped us in the initial and ensuing years at ViNtrol".

Since the beginning, the company's principal revenues came from API 6D and API 6A product consisting of Floating Ball Valves, Trunnion Ball Valves, and Wellhead Gate Valves. Sales during first year were from a small but growing customer base. While a lot of time and thought had been given to making the business plan successful, the basic strategy the company adopted was simple... "focus on customer needs and never sacrifice core values for business gain." It is clearly evident that these values are inherent throughout the work environment in all company employees and various sales channels at ViNtrol.



Mr. Bill Neimann and Mr. Mahesh Desai.

ViNtrol today

Today ViNtrol is an emerging valve manufacturing company. The current Oklahoma City manufacturing facility covers more than 90,000 square feet area and employs over 40 people. The management team collectively combines well over 375 years' valve experience and industry knowledge.

ViNtrol's engineering department designs products using the latest 3D engineering software and Finite Element Analysis techniques. This has helped the company minimize the new product launch times in the market. Sales personnel view themselves as extended arms of the customer, whether they are assisting a field operations supervisor to troubleshoot a complex valve issue or simply replenishing stock at a distributor's warehouse. Mr. Neimann states "Our sales force spends a lot of time in the field, trying to support the end user with knowledge of valve maintenance, to teach them how to take care of the valves when they receive them onsite. This involves such issues as keeping them out of the weather, protecting the internals from contaminants and to eliminate problems during startup and commissioning".

ViNtrol's international certifications include ISO 9001, API 6D, API 6A, API Q1 and have been in place since 2008. Most recently, ViNtrol received certifications on ISO 15848-1 and ANSI/ISA 93.0001 for Fugitive Emissions to meet EPA requirements. Quality Assurance teams



Off the shelf – same day service.



ViNtrol Valves staged for Hydro Test.

and production personnel ensure the quality of each product is not only outstanding, but the reliability and safety of the product meets customer expectations. Quality personnel also conduct Root-Cause Analysis to provide prompt feedback to manufacturing to ensure continuous improvement of the supply chain.

The supply chain for the majority of ViNtrol's Floating and Trunnion Mounted Ball valves and components comes from Virgo Group's own plants in Coimbatore, India and other plants abroad. These diverse network of plants are dedicated to produce and supply valves and components to ViNtrol. ViNtrol routinely conducts audits of all facilities in our supply chain to confirm the highest levels of standards are met. Additionally, ViNtrol conducts in-house testing and quality checks to verify the valve integrity of these products. This practice is above the requirements set forth for these valves. The company is proud of its training facility which seats about 50 and encourages all customers to attend and

participate in a valve training presentation. Mr. Neimann added that "we recently conducted a training session for an end user and afterwards we allowed them to build some valves under supervision to enhance their training and understanding of our product".

In its pursuit of serving customers, ViNtrol started manufacturing Scotch Yoke Pneumatic actuators to provide a Single Source automated valve package to customers. The next logical step was to implement a Valve Automation Facility at the current Oklahoma City plant. The company designs and supplies complete valve automation packages including Solenoid valves, positioners, limit switches, and necessary tubing. Obviously, providing the customer the ability to buy a ViNtrol Valve with a ViNtrol actuator that is completely assembled and guaranteed by One Company is an advantage. This value added service has helped customers who have often been denied this turnkey service. Mr. Neimann believes it is important to have offer a complete single source package as "it gives peace

of mind to our customers that have had bad experiences in the past when using multiple brand name products". He also stated "If a valve fails on its initial operation, people do not forget it. If a company is an established brand with a long history of success, the end users overlook an occasional issue but, for new companies like ViNtrol, any issue could cause us to be removed from an Approved Manufacturer List very quickly".

Strategic Steps

ViNtrol's journey from conception to being one of America's fastest growing valve companies can be attributed to the strategic and innovative thinking by its leaders. Establishing dedicated network of facilities globally, investments in domestic manufacturing including valve assembly, valve testing equipment have created the company's ability to be responsive to changing customer demands and be an innovator in the industry. They are continually expanding their domestic valve capabilities which now included many sizes of Trunnion, Flanged Floating and Threaded Floating Ball Valves. Additionally, the company has been selective about the preferred distributor base it supports along with developing end user relationships by supporting their valve and service needs. Once ViNtrol has an established presence with a distributor in a market, it has a trickle-down effect that leads to additional opportunities within other market areas.

Markets

A large percentage of ViNtrol products are sold to the Major Oil and Shale Gas plays throughout the US including the States of Arkansas, Colorado, Louisiana, New Mexico, North Dakota, Ohio, Oklahoma, Pennsylvania, and Texas. Each of these areas is well served by an experienced sales force and their



ViNtrol valves in the field.





Over 375 years experience in ViNtrol's Management Team.

team of very capable Manufacturer's Representatives. Dramatic advancements in Exploration and Production such as Horizontal Drilling and Hydraulic Fracturing are providing numerous opportunities for ViNtrol. Shale plays such as the Barnett, Haynesville, Eagle Ford, Marcellus, Utica, Bakken and the most recent Niobrara have been instrumental in ViNtrol's growth from Zero to almost 60 million dollars in a span of seven years. ViNtrol is well poised to reap the benefits of the Oil & Shale Gas boom in the coming years. Mr. Neimann tells us: "We have grown in the shale play areas. This is where the majority of our business comes from because it is so active. In addition to traditional customers utilizing our products for well connects and pipeline transmission, we also supply many valves to OEM's". OEM's utilize ViNtrol valves for building skid mounted units, manifolds for offshore platforms etc. Globally, ViNtrol has shipped valves around the world including Canada, Iraq, Australia, Malaysia, UAE, Trinidad, Thailand, Africa, Europe, Kuwait, Mexico, and several Latin American Countries.



Testing ViNtrol 12FP CLI 50 Trunnion.



Material testing.

Plans for future growth

Future growth at ViNtrol is expected from the introduction of New Products the company plans to introduce and further expansion of sales geographic regions. Apart from fulfilling the demand of Automated Valves, the company plans to introduce new products including Triple Offset Butterfly Valves, Severe Service Valves, and Piston Check Valves. Continuing education is provided at ViNtrol's In-house training facility. Employees and customers are provided the opportunity to learn about ViNtrol and other general industry practices concerning valves, preventive maintenance, valve related issues, regulations, and troubleshooting.

The future at ViNtrol is going to be exciting. In today's competitive environment, ViNtrol realizes that it takes more than features and benefits to sell valves. It takes a company with a clear vision that "Top Shelf" service provided before, during, and after the sale builds customer confidence and relationships. Mr. Neimann comments that "when a customer purchases a valve, we don't just send it out and forget it. We are focused on them for their future valve needs as well, whether it is a service issue with ours or another brand, we work with the user to find a solution to their valve needs". This is bound through Bill Neimann's leadership and Virgo Group's support with all resources, this philosophy is embedded throughout



Building 6FP CL600 in OKC Facility.

ViNtrol's entire organization. ViNtrol's responsiveness to customer needs and issues sets us apart from all competition leading the way to future accelerated growth by capturing the market one customer at a time.