

Investing in more than valves

Investing R200 million in a new plant, and complying with the DTI's local content rules, are testament that AVK Holdings Southern Africa believes in the country. The company combines this with the true passion of the employees to offer unique product solutions.

THE DEPARTMENT of Trade and Industry's (DTI) designation rules stipulate that state-owned entities must procure locally manufactured products with 70% local content. AVK Holdings Southern Africa realised what that would mean for the local economy and took the lead in complying with the designation rules, even though they are not yet compulsory.

"When considering the new mining charter that is coming out soon, local designation and local manufacturing are going to play a key part in the future of the mining charter. Together with all the other important aspects like BBBEE, which is also changing with the new scoring systems, it made sense for the company to comply with the rules," says Riaan Kloppers, manager: Industrial Division, AVK Valves Southern Africa.

Complying with the rules means that the company is proudly South African; it manufactures in South Africa and exports to other countries, and can assist with job creation and transfer of skills. "Apart from the 70% local designation, 40% needs to come from SMMEs. Therefore, we are making use of many SMMEs to assist us in the manufacturing process of various components," says Kloppers.

R200 million plant

Kloppers is very excited about the new manufacturing plant in Alrode, Johannesburg. The new facility includes a 1 200 m² training facility, 2 500 m² office area and 2 000 m² logistics and warehouse space. With the new manufacturing plant in South Africa, the company can either supply directly off the factory floor and save companies six to eight

weeks, or manufacture according to specifications. "This means that companies don't have to wait for their products to be shipped from overseas, which could take anything between 10 weeks - 24 weeks. It also excludes various shipping problems such as storms at sea, or customs clearance issues," explains Kloppers.

He adds that South African companies can now inspect the ordered goods during the manufacturing process, or prior to delivery to their plants and sites. "Normally, companies would have to get international employees or international branches to inspect the goods prior to leaving the factory.

"This offers peace of mind with the products being manufactured locally, which is unique to our company," says Kloppers. The company also involves the mining industry with its research and

The new AVK manufacturing plant in Alrode, South Africa



development (R&D) in developing different types of products specific to local conditions. Kloppers says that the company does just about everything in-house regarding the R&D, which means having a local manufacturer that can assist with extra development. "When mines want to introduce new technology, they can join us while we design or manufacture products for them. We can also install it for them and they can give us their feedback; it is a total value-add."

Kloppers adds that many AVK products are unique to the South African market. "All the patented products specific to South Africa that used to be manufactured elsewhere in the world will now be manufactured locally."

New technologies

The new plant includes a brand-new, state-of-the-art powder-coating plant that is unique to South Africa. The new testing equipment as well as the new numbering system, with full traceability, are new technologies as well. "We have a fool-proof system in place to eliminate the human error that one normally finds in a manufacturing plant, thereby reducing possible delays," says Kloppers.

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Products

Every single one of AVK's products has some or other unique patented feature, according to Kloppers. AVK manufactures just over 60 000 different valves and



LEFT TO RIGHT Lars Kudsk, Tjaart Van der Walt, Paul Hubbard, Trine Rask Thygesen, Malebo Mabitje Thompson, Niels A Kjaer, Peter Thomson, and Brian Mc Guban

valve-related products globally. "We obviously looked at which products are in high demand in Southern Africa and will manufacture those in huge quantities. These include products with SABS certifications, and products for specific contracts.

"We will also manufacture gate valves, resilient seated valves, valves used for drilling shafts and valves used to find water pockets or gas pockets. Furthermore, we manufacture gas detection systems for different types of applications and ball valves for the nuclear industry. We are currently reviving the entire range of IPV valves, which are used in harsher types of applications," says Kloppers.

He adds that another unique aspect to the company is that the majority of its products are maintenance-free. Where maintenance is required, it is a simple, fast procedure where one doesn't have to drain the entire system. The replacement of the product might take up to 10 or 15 minutes, before restarting the process and resuming production. This adds up to a product with unique technologies that can save the end user time, money, and effort. "We believe strongly

Malebo Mabitje Thompson, deputy director general of the Department of Trade and Industry, and Niels A Kjaer, owner of AVK Holdings A/S, at the opening of the new premises



in the meaning of cost of ownership. Our products might be 2% more expensive, but they will save an immense amount of money in installation and reduced downtime. We offer products that last for the lifetime that the plant was initially designed on," claims Kloppers.

Training centre

The company identified a need for training in the market. First and foremost, the new training centre will assist with skills transfer and will offer a variety of courses, from beginner to more advanced programmes. The idea is to keep it neutral and generic. Kloppers explains that new engineers, as well as people who order products, need to understand the different valves available. "For instance, we struggle to get the correct information from clients ordering valves. With the training centre, we assist the market by laying out the foundation from a novice person to engineers."

The training centre will look at various topics and courses such as plant evaluations, to identify three elements that could prolong the life of valves by at least five to ten times, namely:

- Are the valves installed in the correct position?
- Is it the right valve for the specific application?
- Is the valve manufactured for the material passing through?

Conclusion

Kloppers explains that the company sees itself expanding even more in South Africa. "We still have about R250 million on the cards to invest in South Africa, specifically regarding new technology." **3S**



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