

SMS TORK has been established more than 30 years ago. In roughly three decades, the Turkish company has gained significant market share in its domestic market.

SMS TORK is also an export machine, delivering its goods to 87 countries. “We are renowned for our quality and service. We are always prepared to go the extra mile.”

By Lucien Joppen



SMS TORK: Going the extra mile

Ömer Kaya, mechatronic engineer and sales/marketing manager at SMS TORK, has a clear picture of what ‘his’ company stands for. He should, being the son of the founder/owner Enver Kaya who established SMS TORK in the beginning of the 1980’s (see box Family business).

Starting out as an importer and distributor of technical products, valves and actuator, Kaya senior gradually moved into developing and manufacturing valves and related equipment. In 1985 he manufactured his first pneumatic actuator for a Turkish chocolate company. This opened doors to other Turkish manufacturers who were willing to acquire domestic equipment. Gradually,

he expanded his portfolio to solenoid valves, dust collectors for filter systems and pneumatic operated angle seat valves. Kaya junior, “He also expanded his distribution business for non-domestic suppliers of flow control equipment and temperature/pressure sensors. In general, our customers prefer to deal with one contact for a great part of their equipment.”

Natural gas hub

When asked about the domestic market, Ömer Kaya is keen to give an overview of various industry sectors and SMS TORK’s market approach. He starts off with oil and gas. “In Turkey, this sector always has been modest,



simply because our country doesn't have large oil and gas reserves. There is a little bit of oil in the eastern part of the country, but this is not sufficient to accommodate an industry sector. However, as a natural gas hub, Turkey will play a more important role. With the Trans-Anatolian Pipeline (TANAP) Turkey will facilitate the natural gas transfer from Azerbaijan to the European mainland. This project, worth 8 billion US dollar, also has had an impact on the national economy, although a majority of the suppliers were selected from countries that have made serious investments in the project."

Petrochemicals booming

As for petrochemicals, lately there has been quite some activity in Turkey, Kaya says. In October of 2018, with the official opening of the Star Refinery, Turkey instantly became one of the major diesel and jet fuel producers in the region. Star Refinery is partly owned by the Azerbaijani State Oil



Company SOCAR and the Turkish state. The plant (crude oil processing capability of 10 million tons per annum, ed.) will produce naphtha (1.6 million tons), diesel fuel (5 million tons) with ultra-low sulphur content, jet fuel, petroleum coke, liquefied gas and other products.

"This development has been going on for the last five years", Kaya says. "We have been contracted for two other major developments which involved large amounts of valves and related equipment. As a prerequisite, we have obtained the SIL-3 classification."

F&B strong export focus

According to Kaya, the renaissance of the petrochemical industry in Turkey has been stimulated by the Turkish government. Economic development and local employment are high on the nation's agenda, especially in sectors where a government push is needed.

In other sectors, such as food and beverage, Turkey is already a force to be reckoned with. In the Middle East, the nation is the largest food and beverage producer, covering roughly 20% of the nation's GDP (Source: USDA). Needless to say, the Turkish food industry has a strong export focus, partly because of the Turkish diaspora.

"As mentioned before, SMS TORK launched its first product in the food industry," Kaya smiles. "It is still an important market for us, along with other manufacturing sectors such as chemicals, paints/coatings and so on. Although we face some domestic competition, SMS TORK has successfully restricted these markets, with a high percent of market share in control valves."

Quality paramount

Displaying quite impressive numbers for its home market, SMS TORK has built a name and reputation for itself by formulating and adhering to three principles: quality, reliability and customer focus.

Kaya: "Quality, reliability and fast delivery times are main selling points for SMS TORK. We are able to deliver the desired quality against competitive price levels. Also, compared with larger suppliers, we are more flexible when it comes down to more bespoke solutions. Our customer focus also extend to after-sales. By keeping extra stocks, we are able to respond adequately to urgent requests from our customers. Flexibility is a main asset of our company." As for the industry's (perceived) focus on price, Kaya is clear. Quality remains paramount. He also states that Chinese competition in the domestic market has been

Quality made in Turkey

On its website, SMS TORK says it is the first producer of solenoid valves, pneumatic actuators, pneumatic actuated angle seat valves, pulse valves and electric actuators in Turkey. The company, which is situated in Istanbul, has an impressive manufacturing facility spanning 11,000 square meters. SMS TORK prides itself on developing and manufacturing 100% Turkish equipment and parts for its TORK brand. The company supplies to both end users and OEM's.

"Quality made in Turkey' is our motto", Kaya says. "Many of our Turkish competitors source cheaper parts from abroad. We stay clear from these practices as our production and products need to be certified against the latest standards."

fierce when Turkey increased its import duties for China with 20%.

Expansion in oil and gas

As for export, SMS TORK has been very active. According to Kaya, in 2018 the company will have sold around 30% (in value, ed.) more than in 2017. “Needless to say, the foreign market is crucial for us. Europe, with 50% of our export volume, is key. Therefore we have established our own office in Germany in order to have more feet on the ground, so to speak. Russia and the Middle East are also important markets, although the latter tends to fluctuate due to political tensions. Nevertheless, we aim to expand our market share in oil and gas, also in the Middle East, with the acquisition of Varnasan (ball valves, ed.). We incorporated Varnasan, a 40 year old valve company, the previous year. With this acquisition, we are definitely moving into more demanding applications. Also, we have engaged in a distribution partnership with Metso for high-performance products.”

Flexibility

SMS TORK’s choice for Germany is more intended as a hub to serve other European markets, Kaya says. “Recently I have been on a business trip to Sweden and we had fruitful discussions with several companies, of which some were active in (waste) water management. We see growth perspectives both for the OEM and the end user market. Germany itself is not the easiest market to enter. True, the country harbours a huge manufacturing base, but OEM’s tend to

hold on to domestic suppliers as long-term commitments are more valued and price is not the most important factor. Having said this, there are always openings if you can provide the right solution to the customer’s problem. We can create tailor made flow control solutions to our customers. In other words, we can set ourselves apart by being more flexible than the competition.”

Innovation in solenoid design

Besides being more flexible, SMS TORK is also investing in R&D to address specific challenges (see the previous example of replacing heavy, more expensive materials with light-weight alternatives).

“If we acquire a family-owned company, there has to be some overlap in company culture. (...) It is important for us to keep our identity intact.”

SMS TORK has been especially active in innovating its solenoid portfolio. In 2017, the company launched a turbo solenoid, cryogenic solenoid valves, NSF certified solenoid valves for drinking water, refrigeration solenoid valves, proportional solenoid valves and scotch yoke pneumatic rotary actuators, and part turn electrical actuators.



“We have developed and tested a turbine which generates electricity to control the solenoid valve. A battery system ensures a continuous supply of energy in case the turbine is not generating sufficient power. In short, this system is designed to make solenoids more reliable and also decreases the use of energy.”

Electric wave

Automation/digitalisation is also an area in which SMS TORK sees future market growth, of which it aims to get a slice of. “Across the board, industries tend to automatize their processes for various reasons: cost



Competitiveness of the Turkish industry

In general, the Turkish economy and the domestic manufacturing sector have experienced relatively tough times. The heavily fluctuating Lira hasn’t helped either. These developments have made Turkish manufacturers cautious, which also impacted suppliers such as SMS TORK. By the aforementioned government incentives, partly designed to protect domestic suppliers, the situation has improved, Kaya says. “In terms of labour, we can compete because wages are paid out in Lira. However, cost fluctuations in certain materials are challenging. For example, the price for brass has increased 60% since the beginning of 2018. In order to be less dependent on certain materials, we are researching lighter and cheaper alternatives, for example high-performance plastics, that would be perfect substitutes.”

cutting, expected shortages in labour force, predictive maintenance, etc. This undoubtedly will impact the valve and actuation business. There will be a shift, whenever possible, towards electric actuation, as this modus will facilitate remote data transfer and operation. There will still be a market for pneumatic operation, for example in cases when fast response times are required. Pneumatic actuation is also more favourable in terms of CAPEX due to its simpler design. Electric actuators are most costly due to its intricate design, especially the gearbox. However, in terms of OPEX, electric actuators definitely have more potential because these can be operated and monitored with more precision.”

Data for predictive maintenance

When asked about a specific product that exemplifies SMS TORK's R&D activity in the above field, Kaya mentions a smart switch box device that is able to measure and communicate parameters such as temperature, inner pressure, cycle time and partial stroke test within the actuator. “It is also possible to control the actuator from a distance via a hand-held device such as a laptop or a mobile phone. Reversely, it is also possible to read out data from the actuator. The role of data management in the processing industry will only increase as it paves the way for predictive maintenance. At the moment, there are products/solutions on the market, but these are quite expensive. Our solutions are affordable for companies with a smaller wallet.”



After sales

Concluding, SMS TORK has enough work cut out for itself for the coming years. Kaya has made it clear that the company has territory to gain in more challenging applications such as in oil and gas. Also, there is sufficient growth potential in increased automation/digitalisation.

“What stays the same is our customer focus, not only in product development and delivery, but also in the operational phase. We do recognize that we can set ourselves apart in after sales and engage more actively in maintenance. Currently, we are engaged

in a pilot application with a concept which could be rolled out worldwide if it works in our home market. We have developed a smart switch box. With this product, you can follow up/monitor performance of the actuator, meaning that you can see the values, opening and closing time, maintenance time etc. from your cell phone or tablet. It will be possible to easily watch your system.” By doing its ‘homework’ SMS TORK intends to further build and strengthen its brand name. “My father wanted to establish a Turkish brand with a global reach. We are well underway in realizing just that.”



Family business

SMS TORK is truly a family business. As mentioned before, Kaya's father Enver founded the company. At the moment, his father, Omer and his two siblings are active in SMS TORK. “We complement each other. My father is an engineer at heart, but not necessarily proficient in economics, so my brother who graduated in economics take care of the financial organization in our company. My background is in engineering, but in SMS TORK I have been active in sales/marketing for our export and domestic markets.”

Company culture is important, Kaya says. This also has an impact on potential acquisitions. “If we acquire a family-owned company, there has to be some overlap in company culture, which allows for a gradual merging process into the SMS TORK culture. It is important for us to keep our identity intact.”