

Syveco, formerly known as Thermador International, is one of the largest stockists in Europe, with over 33,000 references packed in an impressive catalogue. “We have grown significantly over the years, but the trick is to keep it simple for our customers: to deliver on specs and on time”, says Lionel Monroe, CEO of Syveco.

By Lucien Joppen



Let it flow. Everyday at 16.00 hours, products are shipped out from Syveco's distribution centre.

Syveco: stock, service, simplicity

Valve World visited the head office of Syveco in Saint-Quentin-Fallavier, located in the metropolitan area of Lyon, France. The company is located on an industrial estate which is dominated by Syveco's sister companies within the Thermador Groupe (see box text Thermador Groupe).

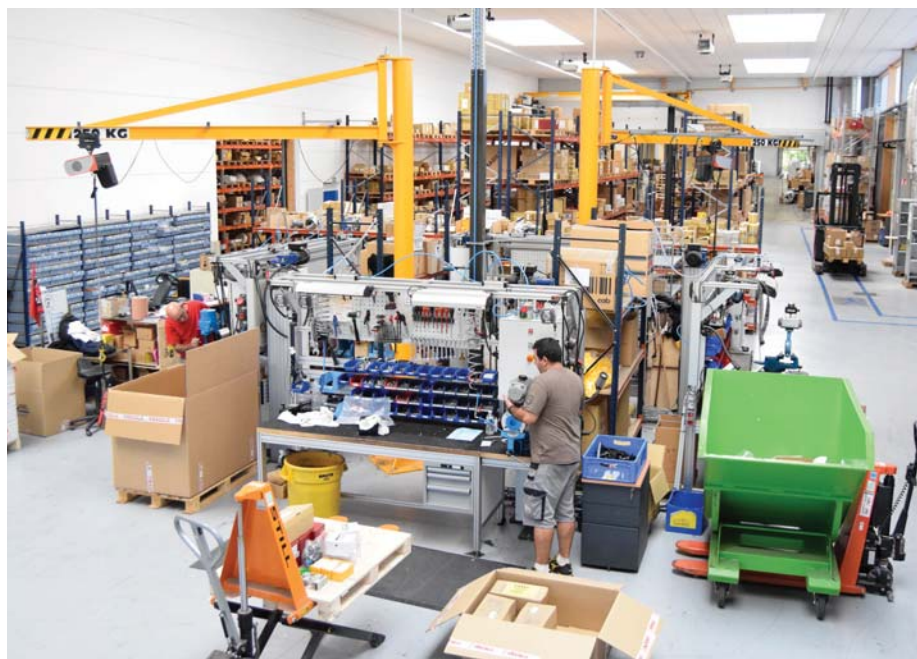
Lionel joined the group in 2006 to set up Thermador International. The company was established to market and sell the full portfolio of products from the Thermador Group's subsidiaries. “These products were all related to fluid handling, whether for residential or industrial purposes, but the core was centred in the construction/building sector, specifically in heating and plumbing - hence the name Thermador”, Lionel states.

Over the years, it became clear that Syveco was more successful in the industrial valve market than in construction. In 2019, industrial valves accounted for more than 80 per cent of total

sales. There are several reasons for this development, marketing manager Cédric Auvray explains.

Generalist

“In the beginning, we didn't have an idea which product groups would sell in the international market. Soon we noticed that the European construction/building market is a difficult one to enter. First of all, each market has its own approach to best practices when building a heating circuit, involving different types of material. Most markets are also closed and very protective - via regulation, certifications etc. - and characterized by a high degree of consolidation. The industrial sector was and still is more fragmented and open towards new players. The industry, in general, is also more standardized, which facilitates market access. You speak the same (technical) language, which is quite different from the building sector.” When asked about the sectoral range of Syveco, Cédric states that their stock covers three main



The automation centre of Sectoriel.

segments: Industry, HVAC and Water. Other activities such as heating, plumbing and pumps are remaining rather marginal. For Valve World, only the first market segment is interesting. "Regarding industry, we are servicing various process-related industries with valves, automated solutions, and related products intended for water, gas, steam, compressed air, chemical products, food, and so on. Given the broad range that we can offer on stock, we consider ourselves a generalist, rather than a specialist, and we concentrate more on commodity products for utilities."

Syveco: short and snappy

In the spring of 2019, Thermador International became Syveco. There were various reasons for the name change. First of all, the Thermador-association with heating/plumbing didn't reflect the company's focus on industrial valves. "Also, we wanted a shorter, snappier name that would have a ring in the international market", says Cédric. "The name is more or less an acronym of Stock Your Valves in Europe Company. The "CO" also offers opportunities to use it for other concepts or services. For example, we have introduced our Syvecoach for our on-line tutorials and promoted our Syveconsciousness, which sheds light on our CSR policy. It also sounds more human with "CO", which means "together" and underlines the importance of working together with our suppliers to serve our customers in the best possible way."

The company also uses a pay-off - Let it flow - which is a nod to its business, but also a pledge of ease and simplicity in customer relationship. Syveco's mantra is: 'We are stock, we are service, we are simplicity, we are Syveco, your valve stockist, so let it flow.'

Partnership

To keep its stock 'alive', Syveco collaborates closely with its preferred partners. Sferaco and Sectoriel (see box Thermador Groupe) are located across the street. Both companies, especially the first, have large warehouses. Lionel: "Our warehouse, which is situated beneath our offices, is quite small. We use this mainly for cross-docking as we get daily deliveries from our sister companies. We bundle these deliveries and dispatch these around 4 PM. In total, our warehouse capacity across Europe covers roughly 100 000 m², spread between various locations in France and Belgium."

Apart from the companies as mentioned above, Syveco also works closely with well-established manufacturers that are not part of the Thermador Groupe such as the TTV-JC Valve Group in Spain and some of the major suppliers from Asia.

Lionel: "We highly value the partnership with our suppliers. First of all, they develop, manufacture/assemble and provide us with

reliable products (valves, check valves, strainers, actuators, flanges and fittings etc.) with a quality that we promise to our clients. We also discuss with them, regularly, how we can improve or add product solutions to our catalogue."

Multicultural

As Syveco delivers directly to distributors across Europe, the company usually receives feedback from the distributor. "In general, no news is good news", Cédric says. "If there are any issues, it is important how you deal with it. This approach accounts for all stages in the client relationship. Because we operate in 50 countries, our people must speak the language and know the culture in the countries we serve. Syveco counts 14 nationalities in the office and relies on 22 spoken languages to ensure the dialogue with our customers. It makes the difference. For example, the word 'urgent' may refer to different expectations depending on the country. In the Netherlands, this means "today" or "tomorrow". In the Mediterranean, this can also be understood as a week or even two. Although our business is in technical equipment, it is very much a people business, aimed at delivering the highest service level against competitive prices."

Open to adventure

This brings us to the people and the values behind Syveco. Lionel and Cédric have 38 'Syvecolleagues' contributing to this adventure. The 20 sales reps are travelling across Europe and Africa roughly 50 per cent of the time.

A dedicated technical sales team works on customer service issues every day, dealing



A fraction of Syveco's impressive product range which covers more than 33,000 product references.

with offers, order intakes, and customer care. Logistics, marketing and administrative services complete the team. Lionel: "Cédric mentioned the multilingual and multicultural abilities from our representatives in the field. In general, Syveco, in its entirety, is a multicultural enterprise. As a result, we are dynamic, flexible and open-minded and - as such - able to adapt to changing market demands or specific customer requests. Adventure, or being adventurous, is one of our core values as we strive to move forward and expand our territory, either geographically or in terms of product range. We are positive about our prospects and expect to keep our annual growth in between 10 to 15 per cent for the coming years."

Into Africa

As for territorial growth, Syveco has its work cut out in Africa. In 2016, the company decided to expand its activities

to this continent. At the moment, Syveco is active in 16 countries, located mostly in the northern part of the continent and sub-Sahara. "We are, for the time being, geared towards French-speaking nations because of the historical and economic links with France. Because we are adventurous, we don't rule out going eventually into other territories, pushing farther our boundaries!"

Going into Africa has also required a different market approach, Cédric states. "Working within the EU and exporting into Africa are two different worlds. Just to mention some examples, exporting outside Europe requires more paperwork and the logistical infrastructure is challenging. Market wise, the distribution channels are not so developed and structured; hence we need to find some alternatives with local major players. This approach provides us with valuable insights into what (prospective) customers want from us."

A nice side-effect of the African business is the relatively high average order size of around 5000 euro. "For our European business, this is considerably lower: in between a 1000 and 1100 euro", Lionel says. "We don't have minimum order sizes, a practice which is quite normal in the commodity business."

Syveco's development in Europe and Africa has enabled them to grow continually over the past 14 years. In some distant overseas territories, however, their mode of distribution had to be rethought and adapted which means working with import companies or agents. This is how they built their partnership with Profluid, situated in Perth, Western Australia.

Filling in the niches

Syveco's product range has already expanded over the last years. As mentioned before, the current product catalogue holds roughly 33,000 product references. "Our product range is wide, but we can also provide a deep product offer within certain product categories. For example, if you look under flanged stainless steel ball valves, we can supply five ranges varying from simple to more complex applications."

While Syveco labels itself as a generalist, it clearly aims to fill in some of the market niches. Lionel mentions the recent (in 2019) acquisition of Distrilabo. The company, with an annual turnover of 5,5 million EUR, distributes in France a wide range of technical equipment for the measurement and control of pressure, tempera-

Thermador Groupe

Syveco is one of many subsidiaries of the Thermador Groupe (consolidated turn-over 369 million euro, 2019). The company, established in 1968, has its roots in the import and distribution of central heating accessories. In 1978, the company ventured into valve sales (for construction) by setting up Sferaco. In the mid-'80s, the company created the holding to go to the stock exchange. In 1989, Sectoriel was created to drive the automation business unit and thus strengthened the industrial activity. In 2006, Thermador International - the former name of Syveco - was established. In recent years, Thermador Groupe managed to add some jewels to its crown, such as the acquisition of FGinox and Sodeco in 2017. FGinox focuses on stainless steel connectors, flanges, valves and accessories; Sodeco delivers industrial valves solution for various sectors and also holds significant stock.



Cédric Auvray: "We are servicing various process-related industries with valves, automated solutions, and related products intended for water, gas, steam, compressed air, chemical products, food, and so on."



Lucien Angrand: "We are improving product quality in various stages in the supply chain – the best option to prevent quality issues before the installation of our products."



Lionel Monroe: "Syveco is a multicultural enterprise. We are dynamic, flexible and open-minded and - as such - able to adapt to changing market demands or specific customer requests."

ture, level and flow for industrial processes and climate engineering. Lionel: "Distrilabo could be called a 'hyper-specialist', offering products that complement our existing range. It also enables Distrilabo to enter the international market."

Prevention

To expand, Syveco needs to focus on quality, Lionel states. "Our Quality Manager Lucien Angrand collaborates with our colleagues/partners from purchasing and the Technical Managers of our suppliers to define quality objectives, analyze customer feedbacks and establish rank priorities. By doing so, we want to improve the material selection process, reduce claims related to misuse and offer optimum after-sales service."

Lucien Angrand: "At Syveco, quality pertains to products and processes. We are improving product quality in various stages in the supply chain – the best option to

prevent quality issues before the installation of our products. In our experience, most problems arise because of wrong installation or incorrect usage. Currently, we are developing our technical library, creating content both in hard copy (Technical documentation) and digitally (such as Youtube tutorials) to help prevent certain issues."

Adequate response

Syveco has also developed strong relationships with its suppliers. The company regularly audits manufacturing locations. Lucien: "We ensure that our suppliers' products meet all prevailing technical and safety standards. We have the capabilities to conduct our testing at our office and at Sferaco. There is a test bench for hydraulics (\leq DN 400, 110 bar) and pneumatics (\leq 8 bar) and an X-ray fluorescence spectrometer. We can also use these facilities to

inspect products that have been returned by our customers. In some cases, there has been a product-defect but – as I have mentioned before – most are related to incorrect installation or use."

When asked about the number of product returns, Lucien says these are well below the 0,01-mark. "Regardless of the low percentage, we deal expeditiously with each customer issue. Initially, we receive these via our sales reps or our dedicated mailbox. Depending on the urgency, we try to solve the issue via phone or mail. First, we need to assess the situation based upon images and detailed information regarding installation, use of media and process parameters. Based on this intelligence, we can advise the customer. If needed, we can ship the correct product and take back the old product for inspection." Process quality is also on Lucien's map. All of Syveco's suppliers are already ISO-certified, and Syveco aims to get its certification in 2020.

Digital transformation

When asked about challenges in the immediate future for Syveco, Lionel states that digitalization is a big topic. Its expanding product offering, which is represented by an impressive catalogue, will be incorporated into a new website. "We strive to make it easier for our customers to browse through our product range and to improve the selection process. We also want to include automated ordering and invoicing possibilities to streamline the procurement process. Other sectors, such as the DIY-retail sector, are more advanced and are used to working with EDI. We learn from these practices to make our supply chain more efficient and improve customer satisfaction all the way to the end-user."



Magnolia (French, logistics): "I work on order follow-up and remain constantly in touch with our sales back office to prepare expeditions. I have to stay focused on our promise of quick delivery. Of course, things have to move quickly but with good care to deliver our products properly."



Katarzyna (Polish, technical sales): "I always have a positive attitude at work and I believe my smile and my multicultural background help me to overcome difficult situations and maintain a good relationship with our customers."



Peter (Dutch, sales executive): "I am glad to be part of a multicultural and young team for nearly 10 years. How time flies! Teamwork is a big thing here. Customer satisfaction is at the top of the list."

Syveco is a multicultural and multilingual company which is a prerequisite for doing business in various geographical regions.