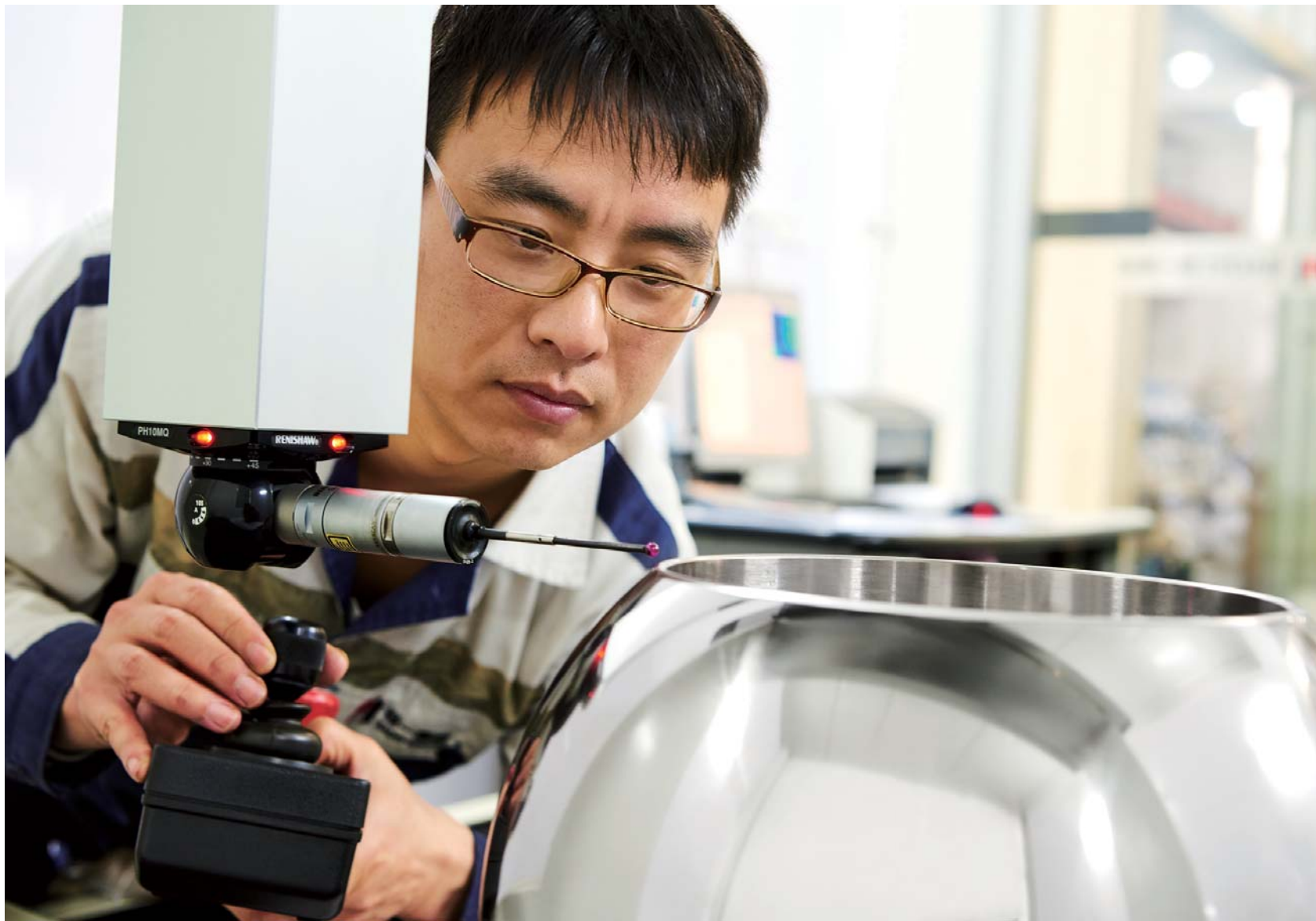


In Chinese “Baoyi” stands for the character 保 meaning ‘always spare no effort to deliver guaranteed quality and build up sound reputation’. Baoyi has also succeeded at keeping up with the changing times and following international trends and/or conventions and promote its brand by innovating in both technology and management.

By Laura Wang



Baoyi Group: forging a legendary brand by innovation gene

Recently, our Valve World team had the opportunity to visit Baoyi’s headquarter in Wenzhou, also known as the “Valve land in China”, and talked to Mr. Zhang Xiaozhong, Deputy GM of Baoyi Group, who talked in detail about the experience, strategy and philosophy regarding business development, and shared the future outlook with us.

First of all, a brief historic overview of the company’s development. Back in 1983, Mr. Zhang Xiaozhong’s father Mr. Zhang Chenming

established Baoyi LNG Valve Factory. Throughout the initial stages of the development of China valve industry, Board Chairman Zhang Chenming has strategically been focusing on high technology and innovation. He established a cooperation with the most powerful municipal engineering design institutions in China and imported advanced technology from overseas. Hence he successfully produced the earliest batch of high performance LNG valve products in China, and rapidly occupied the key market of LNG valves.

Head and shoulder

In the early 90s, domestic valve companies sprung up like mushrooms. An era of intensive competition started. In 2012, Baoyi Phase III plant was completed. Ever since then, Baoyi has been focusing on high and new tech valve products. Quality valve products were produced and awarded honorable titles such as Provincial and Ministry Grade Quality Valve Product, National Key Product, High & New Tech Valve Product. Accordingly, Baoyi secured its leading position in the market and stood head and shoulder above many others who were just feeling their way through the valve business. On the bases of firmly occupied market share, Baoyi successfully expanded its range of application by enrolling medium and high pressure valve applicable to oil and chemical industry into its product spectrum.

Cruel test

The period from 1997 to 2003 was vital to Baoyi’s development history. It was during

that time the company re-organized and changed its name to Zhejiang Baoyi Valve Group Company. Later on, the organization of the company was upgraded and its name again changed to Baoyi Group Co., Ltd. (a company without any area attribution and under direct supervision of State Administration for Industry & Commerce). Being the first ever privately operated valve enterprise in East China, Baoyi Group encountered cruel tests in the market place. However, the harsh competition was rather a chance to harden itself and Baoyi did seize this opportunity. After years of operation, Baoyi built up a stronger brand image by cooperating with strategic partners and made fruitful achievements in the up-, mid- and downstream of the petrochemical industry. Then Baoyi decided to consolidate its brand culture, namely “Guaranteed quality. Credibility utmost.”.

More specialized

Being a significant valve application place in today’s world, China has enormous valve manufacturing companies. Some of them conform well to the trend of the time and press ahead with industriousness. Others are conservative and just drift with the current; yet some of them, after a flash in the pan, are knocked out eventually as the result of being blind to all but their own interests. Facing the dynamic valve industry which advances at a breathless pace, Baoyi Group, a historical brand in China established in 1983, has been adhered to valve business in the past 35 years and arranged to make itself more and more specialized. Over the past 35 years, the company built up a unique organizational structure which features both independent operation and complementary to each other. While concentrating on industrial valve product as its key business, Baoyi also takes account of research and production of steel castings as well as other factors related to up and downstream of the industrial value chain. By taking the advantage of its significant strength and market demand, it provides extensive service and various mechanical products related to construction projects, such as valves, fittings and vessels, etc.

Comprehensive strengths Baoyi

- Valve manufacturing system focusing on oil, chemical and natural gas projects
- CNC lathe integrated processing, testing and detection process
- Research and technology innovation, featuring industry - academy - research cooperation
- Product quality control system under total quality management
- Guaranteed-supply service based on expedited delivery which supports project business
- Environmental protection and safety product optimization program related to various factors such as low fugitive emission

Long term partnerships

It’s notable that after the rapid development, Baoyi currently owns over twenty types of major products, including industry valves such as pipeline slab gate valve, pipeline ball valve and gate, globe, butterfly, safety valve and gas control valve, as well as the ancillary; designed and produced according to GB, API, DIN, BS, JIS, ISO or other advanced industrial standards; extensively used in petroleum, petrochemical, natural gas, urban gas distribution, chemical, power, offshore oil & gas industries. Being the only pilot unit holding the national special equipment manufacturing license, Baoyi obtained, after gaining ISO 9001 certificate in 1997, the API Q1 and 6D monogram certificate, European Union market admittance such as CE, ISO 14001 environmental protection system certificate and OHSAS 18001 Occupational Health and Safety certificate. Meanwhile, Baoyi established long term partnerships with leading energy companies in China, such as PetroChina, Sinopec, China Power International Development Ltd, as well as overseas energy companies such as SABIC.

China to become more involved

Besides comprehensive experience accumulated and strength built up regarding valve products used in oil extraction, storage, transportation and refinery facilities, Baoyi also spent much attention to and extensively participated in the standardization process related to the valve industry, as well as the development and modification related to national standards and industrial standards.

Mr. Zhang Xiaozhong, as the Deputy Secretary-general of National Valve Standardization Technology Committee and Secretary-general of Zhejiang Valve Standardization Technology Committee, explained to us: “Currently China is getting more and more involved in the development of international standards. In the past, development works of international standards is basically dominated by US and European enterprises. In 2016, China for the first time started to develop, as the major force, an international valve standard: *Industrial valve-general*

Case Study

Typical application: Anda oil & gas pipeline engineering project
 Products supplied: pipeline slab gate valve, NPS24-600 lb/900 lb, metal seal with through conduit
 NPS28-600 lb/900 lb, non-metal seal with through conduit
 Product characteristics: full-climate service condition; severe service related to mixed transportation of oil and gas; Intrinsic explosion proof and high sealing performance.



of product development from a different aspect. So we have a chance to better define the orientation of our R&D practice and make our products more suitable for the market.”

Team building

Baoyi's product spectrum is not only extensive but also built up through intensive cultivation. Each type of product has an independent R&D team and an operation team; professional and specific service covers the complete value chain from the beginning to product delivery. Taking Baoyi Safety Valve Division as an example, aiming the middle and high-end market and after years of professional operation, it has become a major domestic manufacturing force in terms of safety relief devices on the basis of technical advantage and sound reputation. Baoyi is now aiming at international markets such as the US and Europe.

Baoyi considers team building of utmost importance for business development and built up a multi-level R&D core team which combines elder, middle and young generations. On one hand, Baoyi recruits graduates from universities as a reservoir of talent and engages domestic and overseas senior experts to work together with its in-house team. On the other hand, Baoyi utilizes the “intelligence leasing” mode, cooperates with universities and research institutes in the public-private research projects, and has gradually established a R&D team which combines both internal and external talents.

When talking about product innovation, Mr. Zhang reveals: “So far the valve industry is still market oriented. However, the required specifications are getting more and more demanding: higher temperatures, larger sizes, more severe service conditions, more strict environmental protection requirements and longer continuous operating times. When you expect a longer and failure-free continuous operating time from a valve, it indicates stringent requirements

Complete series of Baoyi Safety valve

Complete series of Baoyi Safety valve, relief valve and pilot safety valve: Designed according to advanced standards such as ASME, API, ISO and GB, etc.
 Complete series covering NPS1/2~NPS32, CL150~CL2500
 High performance safety relief test bench
 High performance, super stable, long life

against the reliability and repairability of the valve, especially with regard to details such as key structure, fire safe and low fugitive emission requirement. So the trend of technology innovation of valve products will get more consolidated in the future. Although things are changing at a rather slow pace, it's exactly these minor changes that reflect the trend of market demand. All in all, technology innovation of valve products will never stop. No matter the material or structure, the ultimate rule is to satisfy the requirements of customers.”

Trust is essential to cooperation

The principle of “Baoyi” brand is “Guaranteed quality. Credibility utmost.”. For the valve industry, quality involves not only a product but also the related service. Zhang Xiaozhong says to us: “Let's take oil field as an example. Baoyi usually deploys a team right at the project site to provide specific service, including on-site after-sale service and timely response. In order to avoid any shutdown caused by any delayed delivery or any quality problem related to valve product and service,



Baoyi launched the unique 4x24 service pattern. For some of the new major projects, we can deploy on-site service personnel. So we're always on hand during the construction period. So far our after-sales service in the domestic market is more or less matured and sophisticated. We're going to duplicate such a service model to overseas markets with the aim to provide overseas customers with a localized full range of services.”

International focus

Being a long established company owning both historical brand and spirit of innovation, Baoyi experienced many changes in the valve industry. Zhang Xiaozhong said: “Baoyi has comprehensive product lines and mainly serves engineering projects. Each step forward of our development indicates the approval of our customers to the overall strength of our company and our service capacity. Our long term relationship with customers is exactly based on their approval and trust. In the future, Baoyi will further explore the international market and spend much effort to find outstanding business partners. Our ultimate goal of future development is to practice a diversified cooperation model on the basis of mutual trust, and to better serve the global end users.”

Baoyi's success is attributable to many factors, according to Zhang Xiaozhong: scientific management, technology innovation and market development. More than that, Baoyi leverages quality as the stepping stone, technology as the driving force and service as the foundation. Baoyi has determined to establish sound and reliable relationship with customers under the win-win principle, so as to provide highly advanced and reliable system solutions for valve application fields all over the globe.

