



KITZ - Continually specializing

The Japanese KITZ Corporation has been very successful in the downstream business for many years. Maybe even more interesting to see is that the company consistently manages to stand out from the crowd, even in times in which the competition is tough. At Valve World 2014 in Düsseldorf we got a chance to catch up with KITZ to talk about how the business has developed in the past years. Of course we also asked what the company's goals for the future are.

By Christian Borrmann & Jolanda Heunen

Mr. Kiyotaka Arimatsu (General Manager Marketing) and Mr. Yasunori Sugita (General Manager Business Promotion and Product Management Quarter Turn Valves) are happy to speak about how things are

going businesswise. They reveal some of the plans that the company created since their last conversation with Valve World and tell us how KITZ has already started to proceed in reaching the goals they have set

for themselves. The Japanese company has been very successful in the downstream business for many years and their historic projects in this field are quite impressive. The idea, however, is that the development of the business should go on. And business doesn't have to be restricted to the field that KITZ has become an expert in over many years. Immediately at the start of our conversation it is mentioned that KITZ would like to get involved in the midstream and upstream oil and gas markets as well.

Expansion

A couple of years ago KITZ already started to focus on expansion but concrete action

remained under decision for quite a while, just until the company knew exactly how they wanted to proceed. Once an agreement on broadening the expertise to the fields of mid- and upstream service markets was set and the company had decided on the best ways to do so, KITZ first of all started to develop relevant products themselves, and subsequently set out to find a partner to guide and support them in this relatively new area. The aim of KITZ is to constantly have a clear view on what they do not yet have. Simply put: when they need a new product so that the business can be extended, what is it precisely that they need to have? KITZ wants

to be able to know exactly how to obtain specific products that are not yet part of their product line. With regard to this, KITZ didn't need to look out for a partner who could provide them with a general product, because KITZ was already able to do that. They have been doing that for many years, so now they needed to find a specialist to help and support them in fields that they are not yet very experienced in. The process of further expansion and specializing the knowledge of KITZ is at full speed already. For example, the company has started to line-up products for the mid- and upstream markets in accordance with the specific needs in these fields. In addition, the Japanese company takes a multifaceted approach to entering and establishing a name in markets that they haven't been specifically active in before. Mr. Sugita describes this as follows: "In a way you have got to enter the market again and this is very difficult to do, especially since there are products involved that we might not have completely developed yet. We are however already expanding our business with the products that we have been providing for many years and that clients in the downstream oil and gas industry know us from. We also introduce our existing clients to the fact that we started doing business in the mid- and upstream market as well and in this way we start the expansion from within. We take it step by step." Another approach KITZ takes in expanding the business is by starting alliances with companies that have already been active in the mid- and upstream business for several years. "It's about making progress and making it possible to meet important partners to expand our business into the mid- and

upstream market of the oil and gas field, says Mr. Arimatsu. "We think an alliance is one of the most effective and strategic ways to attract new assignments." Since KITZ has set out to make the company grow fast, they can use all the support they can get, not only from customers, but from suppliers as well. "We also grow together with other companies." One very important alliance is for example the one that KITZ established with the Italian RMT Valvomeccanica.

Alliance

The alliance that has been accomplished between KITZ Company and the RMT Valvomeccanica has already turned out to be a good way of working together by combining strengths, just as KITZ Company had foreseen. "The RMT Valvomeccanica were happy to join us, to expand both of our businesses." Asked after how the alliance with RMT came to existence, Mr. Arimatsu tells us that when KITZ decided to expand the business to the midstream and upstream markets, the company immediately started looking out for a serious business partner. Since there are many good players in the mid- and upstream business, KITZ searched thoroughly to find the most 'aggressive' and effective companion for their business expansion, and finally met with and chose for the best partner. The selection process for a business companion was thus done with great care, since choosing a reliable partner entailed a very vital step for growth, especially growth towards more specialized business. Mr. Sugita explains this: "KITZ may still be seen as a 'general company' on the international market,



Mr. Kiyotaka Arimatsu (middle) and Mr. Yasunori Sugita (right) during the cover story interview with Valve World's Christian Borrmann (left).



“Presidents and executives of KITZ and KITZ group companies” (From left) Jim Walther, Yasuyuki Hotta, Darrell Lueckemeyer, Toshiaki Natori, Oliver Bertram

compared to upstream players. We provide almost all kinds of general valves, but these are not the specialized products that we are aiming for. We don't proceed only on this general path however, the company has set out to become more of a specialist.”

The alliance with the Italian RMT Valvomeccanica means that KITZ Company is already able to cover the whole production series and service areas. So instead of only the downstream market, they can also supply the mid- and upstream markets. KITZ is complemented by RMT and in this way the company can provide all products in just one subsidiary. The alliance means that every kind of valve can be produced in order to be able to serve all markets.

Reliability

The achievements that KITZ has accomplished in the downstream market have a lot to do with what the company calls the ‘package view’. With this phrase they mean that KITZ provides their end users with not just one slice of the cake, but with a complete line-up. Whilst moving to the mid- and upstream markets KITZ will continue to use the same strategy as they have been applying in the downstream and general industry. This effectively means that the company will continue to provide the market with a package deal. In the expansion process, the historic value of KITZ turns out to be of great use. The

well-known name of the company in the downstream business makes it easier to establish new customer relationships. But only a name is not enough to counter the tough competition when you have set out to expand into other markets. The brand KITZ is associated with reliability and high quality products since they have been in business for many years, which creates confidence for new clients.

“When you have a Kitz valve you have a reliable, high quality valve that is very well engineered and built. Plus we will of course continue to provide the same high level of before- and after-sales service that our clients in the downstream market are used to.”



KITZ's historic value thus makes it more easy for the company to approach new customers in other markets. “As you know, getting and keeping the customers' confidence is very important. New clients will have to experience our level of quality and service and in this way learn that we are a reliable partner. Once they know this, we automatically expand our business. Also, we can package all kinds of products, this is what we call our ‘package view’. Additionally we are considering to put them into supply channels, also for sales,” the gentlemen conclude.

Products

KITZ Company introduced the Trunnion ball valve a couple of years ago on the global market. This valve is typically one of the sort of products that KITZ would like to develop in the years to follow. One way to do this might be by introducing larger sizes of this type of valve as well as Trunnion ball valves with a higher pressure. After further development, the Trunnion ball valve became ready to be expanded throughout and used all over the world. Besides the Trunnion ball valves, KITZ can also supply clients with cryogenic valves, through conduit gate valves, high pressure threaded ball valves, diverter valves, and high performance and triple or quadruple off-set butterfly valves, to name a few. The aim of KITZ is to construct global supply chains; one being a global procurement system that is supplied by manufacturers from all over the world. To ensure quality KITZ works with a system

Valves by process for Oil and Gas market

Process	System / Equipment	Standards (subsea)	Rating	BOP	Wellhead Christmas Tree	Through Conduit Gate	Choke	Plug	Through Conduit Check	Threaded Ball	Floating Ball	Trunnion Ball	Butterfly (resilient seat)	High Performance Butterfly	Pressure Seal GGC	Bolted Bonnet GGC	
Up-Stream	Drilling	Blow Out Preventer	API 16A (API 17D)	20,000 psi													
		Well Control Choke / Kill Manifold	API 6A, 16C	20,000 psi													
		Mud Circulation System	API 6A, API 609	20,000 psi Class 150													
	Completion	Well Head Casing / Tubing Head	API 6A (API 17D)	20,000 psi													
		Christmas-tree	API 6A (non standard)	20,000 psi 5,000 psi													
		Fracturing (Flowback)	Frac Tree	API 6A (non standard)	10,000 psi												
Production	Fracturing Pump / Blender	API 6D, 609, ASME (non standard)	5,000 psi														
	Flow Back Treatment	API 609, ASME (non standard)	Class 600														
	Production Unit	API 6A, 6D (non standard)	20,000 psi 5,000 psi														
Mid-Stream	(Gas) Processing Separator	API 6D / 600 / 608 ASME (non-std.)	Class 2500 5,000 psi														
	Pipeline	Pipeline, Gathering Compressor / Pump Station	API 6D / 600 / 6DSS	Class 600													
	(Gas) Liquefied		API 6D / 600 / 609 ASME B16.34	Class 600													
Down-Stream	(Oil) Refinery Plant		API 600 / 602 / 608 / 609 ASME B16.34	Class 2500 5,000 psi													
	Petrochemical Plant		ASME B16.34 (non standard)	Class 1500 5,000 psi													

in which they first have to approve of a vendor. This supply chain system not only ensures quality of the products, but also works in the way that it creates competitive prices and reliable service.

The other global supply chain consists of providing after sales services, such as technical support and maintenance. The global support system will be carried out from several offices and contracted shops around the world. By doing so, good service will always be around the corner.

In the years to follow, KITZ will develop the API 6D products fully and will also start doing research on the API 6A, which is important for expansion in the upstream market. The plans for expansion do not mean that KITZ will completely neglect the products for the downstream business however. Quite the opposite: their base business, that for example consists of the

chemical and automation valve, will be strengthened. On the other hand, products that can also be used in other fields will be amended so their use will not be restricted to the downstream oil and gas field. Other plans for the future are that KITZ Company will keep a close eye on developments that the different markets will experience. They will also make sure that not only the market needs will be taken into account, but that ongoing trends will also be followed.

Vision

It is obvious that KITZ wishes to be known as the specialist that clients in the down-, mid-, and upstream market can address when a specific valve or solution is needed, or if a problem of any kind is encountered. KITZ has set a very big target for themselves, to be reached around 2020. The vision of the future for KITZ is clear

and the company will start realizing this vision within the next six years. By doing so, ‘Kiwami’ (see box) will be given a new impetus.

When talking about the future a bit more it also becomes obvious that the goals that KITZ has set for the next years are even broader than ‘just’ getting more involved in the mid- and upstream business. Not only all aspects of the oil and gas market are very interesting to the company, but also, for instance, power plants. In the mid- and upstream markets there is a need for high pressure and high technology valves, and this is exactly the same in the power plant industry, where the same kind of durable valves are needed. While business is being expanded in the midstream and upstream oil and gas field, KITZ's next target would be the power industry as well. Power plants in general, but especially energy and coal-fired plants.

Kiwami

The Japanese term 極 “kiwami”, is used during the conversation. Kiwami means: reliable in any extreme. The goal that KITZ has set for themselves, to become a specialist that serves highly valuable and reliable service as well as quality products, is quite ambitious and in that respect you could call it extreme. Clients of KITZ Company will experience Kiwami especially by means of very high reliability, satisfaction and relief. By realizing the ambitious vision for the future KITZ will give the term Kiwami a new impetus.

