

Since its inception in 1985, SMS TORK has grown from Turkey's pioneer in the manufacture of pneumatic actuators and solenoid valves into a globally established specialist in flow control solutions. Now in the second generation, this dynamic family business is expanding in all directions, building on its hard-won reputation as a reliable partner and realising an ambitious vision for growth and excellence.

By Matjaž Matošec



The 165-strong SMS TORK team in front of the company's main manufacturing facility in the İMES Industrial Zone in Gebze, on

the outskirts of Istanbul

## SMS TORK: tradition and ambition fuel our growth

### Continuous growth

In the four years since its first cover story in the Valve World magazine, SMS TORK has gone from strength to strength, doubling its annual turnover, more than tripling its manufacturing footprint, and significantly expanding its product range. Heading the company's workforce of 165 is Ömer Kaya, the oldest of three siblings. Earlier this year, he succeeded his father and company founder, Enver Kaya, as general manager. While Kaya senior remains at the helm of the company as chairman, it is the second generation that is now running the day-to-day operations of the business.

"This is our 37<sup>th</sup> year in the Turkish market, so we are a well-known and powerful brand domestically," proudly asserts Ömer Kaya. "Thanks to the pioneering and entrepreneurial spirit of my father, the Tork brand has become a household name in Turkish industry, at least when it comes to process control valves. Our ambition

is to continue building on the sound foundation laid by my father and achieve the same status internationally."

### Product groups

Following the development and launch of its first pneumatic actuator in 1985, SMS TORK soon began expanding its product range, doing so in response to a growing appetite of Turkish industry for domestically manufactured flow control equipment. By adding solenoid valves to its portfolio, the company had created a second product group that opened the door to a new group of customers, which in turn provided further impetus to new product development. Before long, the company started manufacturing pulse valves for dust collectors and pneumatically actuated piston valves, among other things. Today, SMS TORK supplies its products to end users and OEMs working in as many as 30 different industries.

In 2017, the company acquired Varnasan, a long-established Turkish valve manufacturer. In doing so, SMS TORK has diversified its product portfolio to include ball valves and safety valves, among other things, thereby becoming a one-stop shop for a wide range of customers. "We manufacture soft-seated floating-type ball valves, which are available in stainless and carbon steels, up to DN 200 in size and capable of withstanding temperatures of up to 200°C and pressures of up to 40 bar," explains Mr. Kaya. "I am proud to reveal that our Varnasan-brand ball valves for natural gas and gasoline/diesel applications have recently become API-certified. This is just the latest in a long line of documents showing that our products and processes meet all relevant quality and safety standards."

### Wide customer base

Over the years, SMS TORK has built a wide and loyal customer base in Turkey, establishing long-lasting partnerships with its domestic clients. Back in 1985, its first pneumatic actuator was delivered to a chocolate company, so it is no surprise that the food and beverage industry has remained an important market. Mr. Kaya highlights one recent trend that has helped his company solidify its foothold in it: "In Turkey, sugar production used to be controlled by the government, but recently this industry has witnessed a

### Made in Turkey

SMS TORK takes pride in manufacturing all products and components in-house, for a good reason. "This helps us with flexibility, price competitiveness and delivery times," explains Mr. Kaya. "If we had to rely for certain components on suppliers operating on the other side of the planet, our prices would have to be much higher, our delivery times longer, and our ability to customise more limited. By making everything ourselves, we have full control of product quality – another matter of paramount importance to us."

wave of privatisation. The new owners have increased investment in sugar factories, and some of them we have supplied with virtually our entire product range."

Other major industrial markets include chemical, cement, mining, and water and wastewater treatment, to mention just a

*The Tork brand has become a household name in Turkish industry."*

few. No less impressive is the list of OEM customers. Among others, they include manufacturers of compressors, dryers, industrial furnaces, bakery machinery, road sweeper trucks, firefighter cars, etc.

"Since the early days of our company, the Tork brand has encompassed two major product groups – solenoid valves and pneumatically actuated valves," explains Mr. Kaya. "Solenoid valves are sold primarily to machine-building companies, whereas the customer base for our actuators is much broader, consisting of both OEMs and industrial end users."

### Expanding product range

In recent years, the company has further expanded its product range. In addition to rack-and-pinion pneumatic actuators, SMS TORK now also manufactures the scotch-yoke type. Seven years after the introduction of its first electric actuator, the company is readying to launch multi-turn actuators, to be rolled out in 2023. These multi-turn actuators (TMEAs) can be controlled both locally and remotely via a mobile app or analogue/digital control signals, allow proportional control with precise positioning, and are ready for IoT applications.



Tork valves and actuators



Varnasan ball valves, recently API certified

Multi-turn electric actuator, to be launched in 2023

### Export markets

SMS TORK began targeting international customers in 1998 and has since turned into an export machine. The company delivers its products to 87 countries across the globe, with Europe accounting for around 50% of their export business. “We have six people working in the export department and one home-office person in Germany, who is in direct contact with local clients,” explains Mr. Kaya. “Elsewhere, our strategy is to work with intermediaries. Unlike in Turkey, where we sell nearly everything directly to customers, about 95% of our international sales are made through a global network of dealers and distributors. Some of these partners sell our entire portfolio, while others offer only certain products, such as solenoid valves or actuators. “We are strongly focused on growing our export markets. In the past, international

sales accounted for about a quarter of our total revenue, but now we aim for a greater share of around 35%. We are a growing company, both domestically and internationally, but our export business is now increasing much faster, and we are determined to continue tapping into its huge potential.”

### Competitive advantages

The coronavirus pandemic has caused a major economic shock and widespread supply chain disruption, from which the global economy is still recovering while facing new challenges. In Turkey, the weakening of the lira and high inflation have presented additional headwinds, particularly for those manufactures that rely on imported raw materials and components. However, while not immune to these shocks, SMS TORK has turned

seemingly unfavourable business conditions into an advantage, becoming more competitive, especially abroad. “Along with our product range, quality and flexibility, price competitiveness and fast delivery are what gives us a cutting edge,” says Mr. Kaya. “Unlike in most other countries, industrial production in Turkey remained largely undisrupted during the pandemic, and projects and investments continued as planned, which helped us maintain a steady cash flow. Additionally, the relatively low cost of labour in Turkey means that we are extremely price competitive internationally. Our products may be slightly more expensive than those manufactured in China, but this has become entirely acceptable to our customers, especially those in Europe and the U.S., because we can deliver goods to them much faster than Asian suppliers.

### Family business

Continuity and other positive attributes associated with a long-established, multigenerational family businesses such as SMS TORK are very helpful in building customer trust. But there is at least one other great advantage of being a family-run company, as Mr. Kaya explains and illustrates. “We can make decisions very fast! If a customer is looking for a partner to design and manufacture a new product, we as a family can immediately assess the feasibility and profitability of the project. By contrast, in highly complex corporate world, the decision-making process can be painfully slow. Once we found ourselves competing with two of the largest players in our line of business. A major German OEM urgently needed a sample of a special solenoid valve, which had to be delivered in a matter of days. Requiring assessments and approvals from multiple departments, the other two companies failed to meet the deadline, whereas we sent the sample and won the contract.”

And we should not forget that due to the energy price crisis, shipping costs have skyrocketed in the last year or so. Thanks to the geographically strategic location of Turkey, shipping from Turkey to Europe and North America is both faster and cheaper. So, when you combine all these advantages, you can see that we find ourselves in a powerful position.”

### Lean manufacturing and digitalisation

In an effort to increase the efficiency of its operations, SMS TORK is investing in modernising its manufacturing system as well as in digitalising various processes. Mr. Kaya elaborates: “In the last three years, we have transitioned to cellular manufacturing,



Two generations of the Kaya family. Pictured from left to right are: Fatih (ERP Project Manager), Enver (Chairman), Elif (Marketing Specialist), and Ömer (General Manager).

which is much more efficient compared to how we operated in the past, thanks to a greater flow of the production and assembly

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processes. Of course, this required some investment in new machinery, but the main change was a shift in our mentality. To give an example: in the solenoid valve produc-

tion line, we decreased the number of workers from 13 to eight yet managed to increase the manufacturing capacity by 25%. In other words, with fewer people we can produce more, meaning that we can use some of our staff in other parts of our operations. “We have also introduced HMI technology, which allows us to manage our manufacturing processes more efficiently. Furthermore, we are increasingly using enterprise resource planning (ERP) to integrate and optimise our business processes such as finances, HR, supply chain. And finally, we have also started to use business and market intelligence to support our sales activities.”

### Looking ahead

When asked about his company's plans for the future, Mr. Kaya displays a great deal of vision and ambition. “As soon as we have launched our latest development, the multi-turn actuator, we plan to start expanding our range of ball valves to include options for more demanding applications, so higher temperatures, pressures, also larger sizes, etc. The other major short-term target is to grow the export market for pneumatic and electric actuators. We are also considering entering the control valve market, and my father is very passionate about flow control instrumentation, too, so that is another area of potential product development for us. Ultimately, whichever path we choose, one thing is certain: SMS TORK will continue innovating to offer an increasingly comprehensive portfolio of high-quality flow control products.”

### Tailor-made solutions

SMS TORK has an R&D team of 15 engineers, who can adapt existing company products to meet specific customer requirements as well as to develop new solutions from scratch. Such capabilities provide the company with a lot of flexibility that can open doors to new business opportunities. Mr. Kaya recounts two examples of how going the extra mile has paid off: “For a French company, we recently developed a new type of solenoid valve that they needed for one of their projects. Having fully met their expectations, they are now a regular client, which means new business for us. A couple of year ago, we had a similar experience domestically. In Turkey, many cars run on LPG, so when you go to the filling station, every pump contains a solenoid valve. Shortly after we had developed solenoid valves for LPG dispensers, a company approached us with a request to develop a special, explosion-proof coil for safety reasons. We said that we would make no extra charge for the development work, and they promised us to buy the product if meeting the requirements. In the end, they were happy with the product, and we won a new customer.”



SMS TORK designs, manufactures and assembles all products and components in-house



Assemblage of solenoid valves