

New year, new start at Sherwood Valve

An interview with CEO Ron Auletta



Sherwood is a name synonymous with precision valves, known for nearly a century as a manufacturer that consistently meets the highest industry standards.

From ISO 9001:2008 certified, state-of-the-art facilities in Ohio and Pennsylvania and brand new West Coast Operations in Northern California, the company provides valves for all segments of the compressed gas industry, from industrial, chlorine and medical applications to the welding, specialty and semiconductor sectors.

As it strives to meet such high standards in products and customer service, the company's own website jokes, "We're great under pressure!"

Or should that read, we're under great pressure? Under the leadership of new CEO Ron Auletta, Sherwood Valve is renewing its commitment to the best in solutions and support, having identified that the company had perhaps allowed

itself to slip away from the evolution and requirements of its customers.

With this reinvestment in quality and innovation, Sherwood Valve is putting the pressure on itself to go above and beyond not only in terms of industry standards, but also in customer care. Perhaps none more so, than 47 year-old Auletta himself. Since joining as CEO in January 2013, he has been busy engaging with existing and prospective customers and understanding 'the good, the bad, and the ugly' perceptions that they may have of the company.

"The company made great strides throughout the years to build a strong brand name which is synonymous with valves," Auletta says. "The name Sherwood is well recognised in the industrial gas industry just as Superior, a Sherwood Company, is well known in the HVAC/R market. These are two completely different end markets for Sherwood that do not overlap. Technical expertise,

customer service, and standing behind your products is how Sherwood has been successful for over 100 years."

"Unfortunately for Sherwood, years went by and we lost touch and engagement with the customer and not because of our people in the trenches, but because of the long line of executives in charge of Sherwood who sat behind their desk and didn't travel to the customer's plants or get involved in industry events. Decisions were made that negatively impacted the customer, because that same executive was so far removed from the front lines that they thought those decisions to be good and sound ones."

"This will not be the case anymore with this CEO in charge," he assures.

Commitment

Realignment and the 'focus on customer' is the cultural re-engineering that Auletta felt he needed to start with when he came to the role 12 months ago – and is

determined to follow through with.

He cites three main goals that were self-set upon taking the helm: Learn about Sherwood products and how they are used in the process; learn about the industry; and meet the customers. As he has done so, he has duly learned not only about the industry and the products, but also the 'fantastic' team and products that Sherwood has. But this has been twinned, too, with the reaffirmation that a realignment is required – a commitment to the customer.

"First and foremost the people at Sherwood are fantastic at what they do," he underlines. "I am certainly biased in that opinion, but I have been tainted by customer after customer that has shared with me their experiences where our people helped solved technical issues and resolved application problems."

"The Sherwood team is second to none technically and after 100 years, certainly know something about compressed gas

valves. Through today (15th November) I've been in front of over 130 customers. I've heard the good, the bad, and the ugly. I'm fixing the bad and the ugly – that's my job," he affirms.

"I want all people at Sherwood focused on what's important, the customer. All they've seen for several years now is a focus on other non-value added things that don't matter if the customer isn't buying from you."

"First I needed to breathe some life into the soul of this business too. The good people of Sherwood needed something to believe in, needed someone who cared about them and the business, and needed someone to share information with them. I think we've made some great strides in these areas already. Our customers are recognising we are, so that tells me we are on the right track."

The task at Sherwood is nothing new for Auletta. His experiences began in the areas of production, operations management, and supply chain for industrial businesses. Having been formerly trained in the late 1980s in Lean Manufacturing, Kaizen, and Six Sigma, his accomplishments included the revamping of nine manufacturing companies and developing them into world-class enterprises.

Having spent the past 14 years in a CEO role leading global manufacturing organisations for private equity sponsored companies, his skill set extends into cultural re-engineering, business strategy, M&A with business integration and synergy realisation, and growth initiatives targeted at value creation. All of which he brings to the role at Sherwood Valve and he is vigorously demonstrating via the re-engagement with customers.

This very much customer-facing and hands-on approach is something Auletta expects to continue in 2014, and beyond. "Every company I've managed, I've spent 50-75% of my time on the road meeting customers. This is not a first year objective for me," he explains. "It's a commitment I make to my customers to stay in touch with them 3-4 times throughout the year at a minimum. I want to see them and engage with them. I want to feel how we

do business with them. And I certainly want my management team engaged as well, from my CFO to our HR executive."

"Our Operations executive too is expected to travel with our Regional Sales Managers. How else is he to understand how better to serve the customer than to take a little heat from them on their home turf, in their plant? This is how you improve operational agility and flexibility. It's how I was trained. This travel objective is not just a requirement for the sales or marketing VPs, this is a requirement for every manager that

"I've heard the good, the bad, and the ugly. I'm fixing the bad and the ugly..."

breathes. If more CEOs did this, I can assure you your customer experiences in retail to restaurants, to industrial products, would improve."

"My message to all my customers is simple. I'm here in front of you, and accessible to you, because I care – because I want to make you forget about valves and sleep easy at night. That's my commitment to them."

New start

Not only is this renewed customer focus creating something of a new start for Sherwood Valve, but we understand there are also plans afoot for a parting of the ways from the Taylor-Wharton (TWI) group of companies.

Auletta explained, "Sherwood is in the process of separating from TWI. We will soon not be affiliated with one another. TWI is a great company, but Sherwood is sometimes viewed as a competitor to a certain segment of its customers due to the nature of the products TWI provides."

Heading into 2014, Sherwood has also made an investment in inventory and personnel, including the expansion of its regional sales teams and the appointments of a key account executive and a vice-president of sales. In addition to its strong distribution channels, these dynamics are what will 'move the revenue needle for Sherwood going forward'.

► “We are re-engaging in a marketplace we allowed to slip away from us,” he says. “We have always been recognised as having the technical expertise and support; we now have the service and sales channel strength which was lacking in recent years. We have realigned our engineering function through our marketing organisation to ensure prompt response to the customer.”

“New product development has also been streamlined as a result. Expect to see new products from Sherwood like you’ve not seen in the past. All of this is to make sure we are taking care of our customers. This is what differentiates us now.”

Sherwood produces a wide range of valves for all segments of the compressed gas industry which meet, and often exceed, the industry standards set by the Compressed Gas Association (CGA), the Chlorine Institute, the FDA, Underwriters Laboratories, OSHA, and US Government military specifications.

Further, its ‘Superior Refrigeration Products’ offers a complete product line of valves and accessories to the air conditioning and refrigeration industry, manufactured using automated class processes that include robotic welding cells for ball valves and computer controlled relief valve cells. All refrigeration products are tested to ensure compliance with applicable industry standards and the intent of the Montreal Protocol. In addition, all applicable refrigeration products are CE approved in accordance with the European Pressure Equipment Directive.

The company’s new product development team is also understood to be working on a number of innovative new products in the LNG/cryogenics sector with Auletta commenting on LNG, “It’s here and will be for the foreseeable future. We need to be a part of it.”

All of these products are what Auletta describes as ‘system-critical’ by nature – and Sherwood has an important role to play in a safe and profitable industrial gases industry.

“I like the industry because of its diversity in end markets and technologies,” he says. “We need to collaborate with our

customers and help them provide highly reliable, safe, and productive solutions for their customers. We need to develop meaningful relationships with them by creating significant value in the solutions we provide them. This is my vision for our company since coming on board earlier this year.”

“Our products are system-critical by nature, especially in understanding the



“We are re-engaging in a marketplace we allowed to slip away from us”

extreme pressure they are managing and the monetary value of the gases held within the tanks and cylinders. In looking at a single cylinder, anyone can dismiss the cost of the gas product as being inexpensive. But when tens of thousands of cylinders, if not hundreds of thousands of cylinders, contain that same gas, now you are talking some serious expense.”

“You want to make sure you have a valve in that cylinder that has stood the test of time, built by a company who’s

been doing it for over 100 years, and will be there in the long run too. Some valve providers think they can squish some brass, machine it, sell it on the cheap, and think they are in the valve business. I wouldn’t sleep at night knowing those valves were in my fleet of cylinders.”


“A valve is not just a valve,” he adds. “As I mentioned earlier, extremely high pressures exist inside the cylinder and tanks. People’s lives are at risk and safety should be a manager’s utmost concern.”

‘We’re back...’

Our interviewee has clearly had something of a whirlwind opening 12 months in the Sherwood Valve hot-seat, engaging with more than 130 customers and demonstrating a passion for customer focus throughout. Fixing the ‘bad and the ugly’ continues on into 2014 and there is still ‘lots of work ahead and much to accomplish’.

“I want the people of Sherwood to be very proud of their company. I want them to jump out of bed each morning, rushing to get to work. And I want our customers to feel that enthusiasm over the phone and in person.” Auletta encourages.

“We are not 100% there yet, but we are making great strides. The future is only scary for the unprepared – bring it on!”

The spirit of optimism is in the air and Auletta is typically upbeat as he concludes, “We are back and in a big way, so give us a look! We’ll certainly be very appreciative that you did. And I’m sure you’ll hear from me, personally.” 

SHERWOOD VALVE – A BRIEF HISTORY

The history of Sherwood Valve goes back to 1894 when Hill Clutch Machine & Foundry was incorporated, making clutches, bearings and other transmission components. Sherwood Valve emerged in 1963 after a series of mergers and acquisitions of the Hill Clutch Machine & Foundry business.

The company was later acquired by Harsco Corporation in 1986 and tucked together with Taylor-Wharton and American Welding & Tank under the Harsco Gas

and Fluid Controls Group. In 1998, Harsco Corporation acquired Superior Valve and merged it into Sherwood. Finally in 2007, another phase of M&A activity took place and Wind Point Partners acquired the Taylor-Wharton, American Welding & Tank, and Sherwood brands.

With manufacturing facilities in Ohio and Pennsylvania and new operations on the West Coast (California), all of Sherwood Valves’ facilities are located in the US.