

Valbruna

STEELING FOR THE FUTURE

Valbruna Slater Stainless Inc., a subsidiary of Italy-based Valbruna Group, makes specialty stainless steel and nickel alloy bars in a variety of shapes for North American manufacturers in a range of industrial sectors that include automotive, medical, aerospace and oil and gas. David Soyka reports on this Indiana company's \$ 31 million expansion plans to provide customers with a more efficient, localized supply chain with significantly shorter delivery times and expanded capabilities.

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To stay competitive, manufacturers today must wield a two-edged sword—honing their skills and capabilities to address current market needs, but also cutting ahead towards meeting future demands. Most modern swords are made of steel. Which makes this a particularly fitting analogy for Indiana-based Valbruna Slater Stainless, Inc. This Indiana-based steelmaker has sharpened its capabilities with a \$31 million plant expansion to anticipate customer requirements for specialty stainless steel and nickel alloy bars in a range of sizes, but especially the demand for smaller round bars.

“Previously the smallest rounds we could make was 2.5 inches,” Denis Benetti, business development manager, points out. “Constructing the new facility provides us with the capability to make much smaller sizes, starting at .393 inches, or 10 millimeters.”

The smaller size is particularly important in the automotive and medical device sectors. The United States is the world's largest medical device market and Indiana has one of the largest concentration of medical device manufacturers.

And Detroit is less than a three hour drive from Fort Wayne, where Valbruna has set up shop since 2004 as the North American arm of privately- owned Italian steelmaker the Valbruna Group.

Valbruna initially acquired the assets of Canadabased Slater Steel Industries, which had ceased operations in 2003. The Fort Wayne mill had a history dating back to 1895, and had produced stainless steel since 1939. Valbruna selected the site for its strategic location in the Midwest and its immediate proximity to about 35 percent of the US industrial market (though it also sells product to Canada and Mexico), a well-developed infrastructure and its highly-skilled labor pool.

“We started with 34 employees and grew to 115, revamped an abandoned facility and invested already over \$65 million in new equipment and capabilities, including a testing lab (Nadcap certified), even before the latest expansion,” Benetti says. “The new construction, which will be completed by the end of this year, adds a 170,000 square-foot building that includes two new finishing lines, one straightening and peeling line (size ranges from 1 to 5 inches) and one cold drawn line (.393 to 1.125 inches). We also expect to hire an additional 15 to 20 workers.”

He adds that, “Both lines will be equipped with Eddy Current and Ultrasonic testing lines. In particular, the peeling line will include in-line NDT (Non-Destructive Testing), which employs phased-array technology, the latest and most sophisticated technology available for ultrasonic testing.”

Quality Precision Phased-array instruments use multiple ultrasonic elements electronic time delays coupled with powerful software to produce highly accurate, detailed cross-sectional images of critical structures and welds at fast inspection speeds. “In particular, this special equipment provides us the opportunity to better serve the automotive industry,” Benetti notes. “Because phased-array technology makes the inspection of critical components faster and

more accurate, many of our customers have already expressed interest in auditing our new equipment.”

Valbruna Slater Stainless is ISO 9001:2008 certified. Benetti points out that, “ We are also looking to extend our already acquired Quality Management System ISO/TS 16949 approval to these new additional production lines within the next few months.”

Such an investment is representative of the company’s forward-thinking approach to satisfying customer needs both today and tomorrow. In fact, Valbruna Slater Stainless has continually invested in people, technology and new product development every year since its inception. Not, as some companies struggle to do, merely as a response to sudden market shifts, but to anticipate where markets are headed and be ready for them.

For example, the recent slowdown in the oil and gas sector caused a decline in new equipment purchases and, consequently, weakening sales of Valbruna Slater Stainless products. Other companies might have put their expansion plans on hold during a softening revenue cycle. Valbruna Slater Stainless didn’t alter course.

“You have to plan for the future, that’s what this company has always done. There’s always going to be down cycles, but you can’t lose sight of the opportunities ahead. In particular, the expansion and the ability to make product in smaller sizes will increase our penetration of the automotive and medical device segments,” Benetti emphasizes. “Throughout its history, Valbruna has made investments not just to meet customer demands today, but with an eye towards what they’ll need in the future. It provides us as a company with greater potential to improve the quality of our products, our customer service and at the same time provide even more rewarding work for our people.”

More Efficient Supply Chain

Benetti notes that, “Customers are constantly looking at how they can improve their supply chain and cost-efficiency reducing risk. With the new facility, we no longer have to rely on longer transit time from Italy for sea freight container shipments. That means we can drastically reduce our lead time from production to eight to ten weeks.”

To provide efficient delivery times throughout North America, Valbruna Slater Stainless operates nine distribution centers. They are strategically located in Canada, Mexico, New Jersey, Texas, Illinois, Florida, Ohio, Georgia and California.

“There are a lot of cheap offshore providers out there,” Benetti says. “But they can’t match us in terms of quality and delivery time. Cost is always a concern, but speed-to-market and high quality is even more so.”

Achieving that is not merely through technology and more production lines. Highly skilled people are equally essential. “One of the reasons Valbruna decided on Fort Wayne for its North American operations was to take advantage of the local labor pool. Access to skilled labor is not only a factor to stay competitive, it is key to providing customer service excellence,” Benetti notes.

Exciting Prospects

“I can also say that it’s been very easy for us to work with local and state government not only in moving forward with this expansion, but from the start in doing business in Fort Wayne,” he adds. “I’ve been in this industry for some twenty years, and personally I have to say that I couldn’t be more excited about what we’re doing. The plant expansion, Valbruna’s commitment to invest in the future of the business, and the first-class people dedicated to achieving ultimate customer satisfaction makes me look forward to seeing how much more we can accomplish.”

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