

Italfond supplies much more than simply a forged bar

When is a piece of steel more than just a piece of steel? The answer's easy - when it's a forged bar from Italfond! Buyers who purchase a stainless steel or nickel-alloy bar from this Italian-based company receive a tailor-made forging with the exact dimensions, chemical composition and material properties to precisely suit the intended application.

By David Sear

You'll have to look back through several volumes of Stainless Steel World to find our previous Cover Story on Italfond. It was in December 2003 that we last wrote about this Italian steel company, which makes its own steel for forging into bar material.

Back then, Managing Director Mr. Antonio Longhi was explicit when he told us that company strategy was definitely not growth for growth's sake, nor to simply supply commodity items in bulk, but rather to serve customers who required special products within prompt delivery times. Fast-forward to today and that simple strategy is still very much the cornerstone of Italfond's way of doing business – and a very successful business at that!

Mr. Longhi, as ever, is straightforward in stating his viewpoint. "Let's be honest, steel is a big market, and forged bars are standard industrial products which are mass-produced around the world. Our focus though is to serve niche market segments, where clients require forgings made of stainless steel or nickel-based alloys. So at 40,000 tonnes our annual output may appear modest, but this is the perfect capacity to serve our customer base, principally stockists, transformers, and pipe producers."

Indeed, Mr. Longhi and his team have a very good understanding of who the company's customers are and where its forged bars are used. He estimates that up to three-quarters is sold for immediate export, and that the remaining volumes probably end up overseas as well, after being further processed by steel transformers in Italy. But whatever the shape, size or intended application for the forging, Italfond will inevitably be working directly with the customer.

Explains Mr. Longhi: "We tend not to work through agents but communicate directly with the client's engineers. Together we can precisely determine the forged bar requirements to meet each specific application."

Forging ratio

As Mr. Longhi continues it quickly becomes apparent how much technology

and thought really does go into producing each forging. "Forging a bar is more than simply hammering an ingot into the required shape. Each material grade has its own particular forging ratio, and that's why we start by producing uniquely-sized ingots that enable us to correctly forge the precise dimensions as stipulated by the customer. We also take into account all further steps, be they performed here or by the client, such as heat treatment, additional forging, peeling, cutting, etc." This explains why Italfond's facility is geared up to manufacture single items, not mass-produce forgings. "In our line of business we treat every order as unique and important. Bars may be made of the same grade, say 316L, but can require completely different characteristics, depending on the application. And we know all too well that our customers can only be successful if we deliver the right base material!"

Given the tremendous number of variables involved in its forging processes Italfond has invested in custom-built software that facilitates the proper management of all factory processes as well as administration. In addition, as each and every piece bears a unique code, engineers have almost real-time access to an incredible amount of data from the steel mill, the furnaces, the forging process, etc. In short, this software helps the company to maximize efficiency, minimize production times and provide customers with key data on demand. Colleague Mrs. Rosamaria Chizzolini (Sales Department) adds that providing the customer with a high service level is paramount. "Our technical and sales people are in regular contact with the customer. That helps develop a close relationship. So we answer client inquiries

Fast and flexible, Italfond can deliver on a very short time-frame to regular clients.



Italfond's steel mill can produce ingots from 2 to 24 tonnes in weight.



Italfond is the proud holder of ASME Code Sect. III Div. 1 & 3 for the nuclear industry.

within 24 hours and make sure we can quote short lead times. In fact, thanks to our size and flexibility, we can quickly adapt product characteristics and deliver on a much shorter time-frame to regular clients."

Where appropriate, Italfond will also hold strategic stocks for repeat customers with especially urgent requirements, notes Mr. Longhi. "After all, our clients are also working in a competitive market, so we will do all we can to help them succeed. That is what we mean when we talk about creating a meaningful relationship – developing a tacit understanding and being able to rely on each other."

Know-how

When it comes to technical skills and materials know-how, Italfond certainly has a couple of additional aces up its sleeve. Firstly, Mr. Longhi stresses the importance of investing in a dedicated workforce. "Take a look around and you will see the average age is fairly low at Italfond. But here's the thing: many employees start

straight after school or university, so they quickly accumulate significant experience. That's why many of our managers are in their early 30s. In addition to on-the-job training, we send staff on courses and encourage participation in industry and technical meetings, so they can learn and absorb the latest knowledge.

As to the second ace: Italfond is a proud member of the GIVA Group (see box). Mr. Longhi: "customers benefit from us being part of the group, as together we have a tremendous body of technical knowledge concerning the manufacture, transformation and application of a wide range of steels. So whilst we operate independently, which gives each company the flexibility to serve its own specific customers, we can quickly draw on the experiences of sister companies."

Unique characteristics

A constant factor since Italfond's foundation has been its commitment to make investments. As Stainless Steel World saw back in 2003, significant sums had already been spent on state-of-the-art presses and furnaces. With that key machinery installed, Italfond continued to upgrade with new auxiliary equipment, such as cutting machines, peelers, re-melting facilities, etc.

More recently, a covered area has been installed to facilitate deliveries whilst additional purchases have included laboratory test machines. Says Mr. Longhi: "Research and development is essential to ensure our forged bars have the best possible material properties for the given application. After all, there is no single material that can meet all needs. For example, on paper we may supply three bars in say duplex to separate customers, but each of those three bars could well



With its own re-melting facilities, Italfond can readily supply the grades and products required by its customers.

require unique characteristics depending on the intended application or need for further processing."

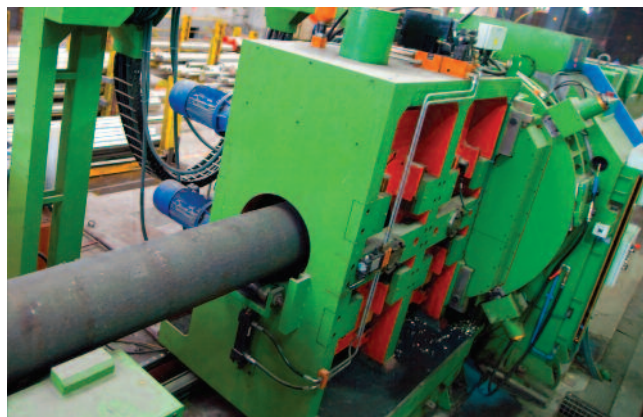
New customers may therefore be initially surprised at the range of questions Italfond's engineers tend to ask. But Mr. Longhi is adamant – details are important. "Knowing the ultimate product form and application means we can better make the required forging. Even when working with repeat customers we take pains to double check all the details before starting work."

ASME qualification

Whilst on the subject of customers, Mrs. Chizzolini confirms that the principal end user industries include key sectors such as oil and gas, nuclear, chemical, energy, mechanical, etc. In fact, she gives a wry smile when asked about potential new sales markets. "We are not searching for new markets – they simply do not exist in our line of business. But what we can do is generate additional sales to existing segments. For example, by increasing the dimensions we can offer and developing new grades, such as nickel-based alloys,



The policy at Italfond has always been to invest in modern equipment, such as this rotary forging machine.



Custom-built software helps Italfond maximize efficiency, minimize production times and provide customers with key data on demand.



"Research and development is essential to ensure our forged bars have the best possible material properties for the given application," states Italfond's Managing Director Mr. Longhi.

duplexes, etc. That's exactly what our re-melting facilities enable us to achieve. There are always possibilities to supply new products to our customers." Should it be necessary though to convince potential clients of its credentials Italfond can point to an extensive list of certificates, all freely accessible via their website. The most recent addition is the qualification to ASME Code Sect. III Div. 1 & 3 for the nuclear industry, which puts Italfond into a very selected group of stainless steel mills. Mr. Longhi freely admits that the application period absorbed considerable time and energy, but believes the certificate says a tremendous amount about the inherent quality of Italfond's forged bars and the reliability of its processes. "This certificate may not be required by all our customers, but it does give a certain guarantee about the whole company, our production facilities, internal processes and products," he states.

Road-map

Ask Mr. Longhi for his vision for Italfond and it is clear he has a definite road-map for the way ahead, namely continuing to focus on forged stainless steel bars. Part and parcel

of this strategy is on-going investments. Already, for example, plans are being drawn-up for a new industrial area which will house, amongst others items, a very large press indeed. Comments Mr. Longhi: "If all goes well the new facility should be up and running in two to four years' time. The new equipment will enable us to offer both larger and smaller forged bars, especially in nickel-based alloys, and with a greater range of material properties. The new facility will further help to reduce costs and increase the quality of specific alloys – especially those where the forging process requires a lot of power."

It might have been presumptuous, but Stainless Steel World wondered out loud how Italfond would be financing this and other new investments. Perhaps the GIVA Group was providing financial support? Again, Mr. Longhi has no hesitation in delivering a straight answer. "As I indicated earlier we certainly benefit from the technical knowledge of the GIVA Group, but each company is encouraged to 'walk on its own legs', as we say in Italy. Every year since the late 1990s Italfond has enjoyed a healthy cash-flow. This means we can cover many of our own financial decisions and the banks support us too as they have every confidence in our business approach." The addition of an extra press does not, however, mean that Italfond has any plans to increase its annual output. Mr. Longhi: "let me state this categorically. It is not our strategy to increase capacity, which in any case is limited by the size of the steel mill. Certainly the new equipment will make us even more flexible. But we genuinely see no future in simply being a mass producer of commodities. Our focus is to tailor-make bars in grades of materials such as nickel alloys and stainless steels, with the dimensions and characteristics to suit our customers."



Each bar has the exact dimensions, chemical composition and material properties to precisely suit the intended application.

He concludes: "I believe it is very important for us to have this clear differentiation. People know us for our speciality: casting ingots for forging into high value alloy bars. We can do all the necessary steps in house, from melting to forging to machining to testing. That is our defining strength and shows we have clear vision in the market. Come back in ten years' time and we will have further consolidated our position as one of the world's leading suppliers of forged bars."

About the GIVA Group

The GIVA Group is one of the world's largest forging enterprises but also has interests in machining, trading, valves, actuators, etc.

GIVA's four independent forging companies all specialise in specific product types. Together these companies operate some of the world's largest equipment, notably ring-rollers, manipulators for ingots, and presses up to 20,000T. A 100,000(!) tonne press is currently being installed.

Italfond was acquired in the late 1980s and refurbished extensively to focus on stainless steels in the 1990s. A second steel mill, Nunki Steel, was acquired five years ago and it too has since been completely refurbished. Nunki now produces ingots up to 180 tonnes each, primarily in carbon steel and low and high alloy steel, but stainless steel ingots are also within the company's production scope.

Facts & Figures

Name:	Italfond S.p.A.
Location:	Bagnolo Mella, Italy
Principal activity:	Manufacture of ingots and forged bars in stainless steel and special alloys
Annual output:	40,000 tonnes of material (ingots)
Heat size:	up to 24 tonnes
Ingot weight:	from 2 to 24 tonnes
Turnover:	around EUR 140 million
Staff:	currently around 120
Did you know:	that 'fond' in the company name is short for 'fonderia' which means 'foundry' in Italian.