BioSpectrum the business of Bio & Health Sciences ASIA EDITION

Value Plastics expands with eyes on Asia Pacific

May 28, 2012 | Influencers | By BioSpectrum Bureau

Value Plastics expands with eyes on Asia Pacific



Colorado-based Value Plastics (VP) a Nordson company, designs, develops and manufactures a standard line of plastic tubing connectors. Due to its strong emphasis on cleanroom manufacturing and adherence to strict rules and regulations, the medical device and biopharmaceutical industries represent a large portion of the company's customer base.

With a product line ranging from quick connect, luer, tube-to-tube, threaded, tapered seal, blood pressure, to sanitary, and bondable fittings in thousands of different configurations, the company is continuously looking to expand its presence in the Asia Pacific (APAC) region. It has dealers located in Singapore, Malaysia, India, Japan and has recently assigned new distributors in Australia and New Zealand.

Mr Chuck Philipp, vice president, Value Plastics talks to *BioSpectrum* about the importance of Asia market for the company. Some excerpts:

How big is the market for the plastic fittings and fluid management products in Asia Pacific?

Mr Philipp: The overall market for plastic fittings in APAC, which includes a variety of different tube connection options, is estimated to be over $100 million. The VP product line, made specifically for low pressure applications, caters to approximately 20 percent of this figure. Given the fact that APAC is estimated to hold 25 percent of the global market share, coupled with the medical device industry's strong anticipated growth within the region, APAC holds a strong value to VP and we look forward to strengthening our local market share.

Ã?Â

When did you first enter the APAC market and since then how has the journey been?

Mr Philipp: The company has been selling its products to customers in APAC for over 15 years. Initially, our sales were mostly in Japan, however, we now sell throughout the region. For most of the years, the percentage growth of our APAC sales

has been in double digit. This is partially due to the fact that VP has signed distributors covering Japan, India and Singapore. These alliances have been crucial to our business in the region, given their strong local customer base, understanding of the APAC market, and ability to supply manufacturers with a complete, all-inclusive offering of products and services. This structure has caused any potential challenges of entering a foreign market to be minimal. VP also currently sells directly to the customers in China, South Korea and Taiwan. Again, given the local presence of our sales force, this has helped us avoid most complications.

If APAC is of such high importance to the company, why not have a manufacturing facility in the APAC region?

Mr Philipp: APAC will be very important to VP's business over the next 10 years, and as a result, we are currently evaluating different options for increasing our presence in the region. Given the fact that VP was acquired by Nordson Corporation in September 2011, we will likely have access to a number of resources that will support this growth, such as Nordson's existing offices throughout the region and manufacturing capabilities in several APAC countries. Going forward, these facilities may prove to be very useful. However, we are currently enjoying the advantage of centralized operations within one facility, located in Fort Collins, Colorado. This allows us to comfortably manage and maintain compliance with the significant number of regulations to which our customers' products must adhere to. Another benefit of this consolidation is the advantage of streamlined operations, allowing for great customer service and affordable pricing that our customers enjoy.

Who are the major competitors of the company in the APAC region and what makes Value Plastics' products different from that of its competitors?

Mr Philipp: Most of VP's competition in the APAC region comes from small operators with the capability to mold similar fittings for our customers. These local companies provide components at a very competitive price, however their quality and delivery is sometimes an issue. VP's products are manufactured in a cleanroom that conforms to very high quality controlled standards and dimensions. For a company manufacturing medical devices, the best way to reduce any risk associated with components is by using components from a high quality supplier such as VP. It is this difference in quality and regulatory compliance that sets us apart from what could be threatening competition, and gives us our loyal customer-base across APAC.

Can you elaborate on the future plans of the company?

Mr Philipp: On a general note, we intend to continue to expand VP's product lines of components to serve markets that we currently support and we will continue to seek and accommodate new markets that similarly have a need for high quality fittings. As for the type of our expected developments, all past and future plans revolve around a unique understanding of individual industries' needs - the recent expansion of VP's BioProcessing Line being a perfect example of this. With regards to APAC, we will continue to devise systems that allow customers to easily purchase VP products with minimal effort. Value Plastics has a strong and loyal customer base that feels confident relying on our great customer service, expansive selection, industry expertise, and commitment to product quality. Therefore, any plans for the future will be based around further improving these services and providing these solutions to more companies around the world.