

Don't be just a processor - offer complete solutions

One of the key features of the recession, which might just be ending, has been the way it has hit almost every market and every sector. It has truly been unforgiving. A double whammy has been the impact of fluctuating currencies and material costs.

How do you compensate for these effects? One way is to tighten your market focus and maximise added value by really offering a wider service. This does not mean that your business will be immune to these factors, but it will be better placed to handle the problems.

An excellent example is Rosti Technical Plastics, one of the world's leading speciality plastic moulders. Rosti operates 8 production sites and offices in Denmark, the UK, the Netherlands, Poland, the USA, India and China, and has 1,800 staff. Rosti's ability to ride out today's tough markets is very much based on the reconstruction programme which the company undertook, starting in 2002. Prior to that date the company had made a number of acquisitions creating a plastics conglomerate, with six operating divisions and 32 different sites and almost 3,500 employees. However in spite of its scale there was a lack of core market focus and an excessive exposure to some volatile markets.

At that time the group realised it needed a new strategy. This meant a

George Kellie highlights Rosti Technical Plastics - whose UK operation won the Processor of the Year award - for its transformation into a focused technical group



Rosti's customer care centre (above) at its Larkhall facility in Scotland fits in seamlessly with its injection moulding operation (left)

fundamental switch from basic moulding of plastic components to delivering complete technical solutions, from precision injection moulding up to complete assemblies or fully finished products - which complements the moulding expertise...for example fully assembled kettles, money counting machines or complete automotive and photocopier modules.

There was a parallel focus on providing additional services such as product design and taking a lead role in proactive cost reduction projects as

part of a complete customer service package.

Today Rosti has repositioned itself as a worldwide manufacturer of advanced plastic components and products for a core group of industries which includes office equipment, electronics, small domestic appliances, automotive, and medical products.

This strategy was labelled "From Concept to Reality". Internally it meant linking Rosti's expertise and competency in development, injection moulding, painting, laser etching, assembly, and fully integrated manufacturing. The programme resulted in Rosti Technical Plastics turnover reaching \$238m in 2008 from a level of \$70m in 2002.

Group support has also been vital. Earlier this year its parent group AP Moller-Maersk, publicly backed the business by increasing the share capital of Rosti Technical Plastics Group via a debt to equity conversion to strengthen the business

through a period of financial turmoil.

The success of the programme has been shown in a recent Customer Survey. This looked at customer satisfaction and

said that "From Concept to Reality has helped us cope with truly difficult 12 months of trading and left us well placed for the upturn."

Part of the Rosti

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reactions to improved services and new capabilities. The survey had reactions from 55 respondents from 42 companies around the world covering 93% of Rosti's sales. The results showed that 91% were satisfied or very satisfied with the level of service and products and 98% said that they would like to maintain or increase the share of their total plastics spend attributed to Rosti.

Tez Kurwie, international sales director at Rosti Technical Plastics,

programme has been to increase added value through product decoration. For example its subsidiary in Poland, Rosti Polska, has added painting and multi colour printing in its manufacture of control panels for washing machines, dryers and dish washers. White goods control panels are printed in up to four colours for high end versions. This capability now supplements Rosti's state of the art painting line with two painting booths and full robotics.

At Rosti's plant in Larkhall near Glasgow, the business is now concentrating on delivering fully assembled products for a range of clients utilising the full range of services from precision moulding, cosmetic painting and decoration, laser etching and module assembly. The mix of market sectors and applications provides a much more balanced business portfolio that can handle recession and be a springboard for growth in the recovery with many "cross-supply" opportunities for customers in USA, Eastern Europe, India and China thanks to Rosti's global presence in the three industrial regions of the world.

Takeaways

- Re-engineering the business can be a vital way to create a new future.
- Widening the technology base permits higher added value.
- Focused investment drives the process

Recovery Clinic

PRW, with its resident trouble-shooter George Kellie of KellieSolutions, is aiming to help plastics businesses fight the recession. If your business needs an injection of ideas, let us know. We're assembling a group of industry experts, led by George, to offer advice and help - initially on a free-of-charge basis. But we can't do it for everybody, so contact PRW in confidence now. If you would like to be considered for this free advice, email PRW editor David Eldridge at deldridge@crain.com

