

Austria-based Palfinger has called upon the efforts of two new management board members to help oversee what it is describing as a re-emphasis of the group's market orientation. C&A talked to Hebert Ortner and Wolfgang Pilz to find out what the company has in store.



Existing management board member Eduard Schreiner (right) welcomes new additions Hebert Ortner (left) and Wolfgang Pilz.

Full steam ahead

NO STRANGERS to Palfinger, both Ortner and Pilz haven't had to move very far from their previous respective positions in the company as head of building up the group's strategic spare parts, components and service businesses and manager responsible for marketing and distribution in the group's knuckle boom crane division.

The new appointments sees Pilz sticking with what he knows best, the group's core business of knuckle booms and hook-loading equipment, while Ortner's job will be focused more towards the growth of what Palfinger describes as its "future earnings providers" such as the Crayler, Palgate, Mobiler and E-logistics businesses. The moves follow the resignation of the company's previous chairman, Klaus Schützdelier, for what were described as "personal reasons".

The two appointments come at a time when business in general for Palfinger, like for most at present, is shrouded in uncertainty due to current world affairs, and further due to Germany's current recession and the poor performance of the region's infrastructure development. Last year saw a downturn in Palfinger's total sales revenue to €306.8 million, compared to a figure of €331 million in 2001.

"We are not expecting to receive much governmental support in the near future because of the current political situation" says Ortner. "This means that we will have to rely heavily on our own capabilities as a company, so it is important to get it right and attack the market aggressively."

A key focus for Ortner and Pilz in a bid to boost market penetration will be through further expansion of Palfinger's service and distribution operations and the increase of its already extensive regional management structure.

They will be looking to strengthen area management in respect to sales, service and product management, so that decisions can be made closer to the market. Additional pre-sales and after-sales services will receive a boost in co-operation with Palfinger's existing dealer network.

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Recently introduced projects are now in full operation and have been developed in response to the "rapid changes in market requirements." These include E-CLAIM, which allows warranty claims at the service workshops or at a regional dealer to be handled electronically on the spot and sent to Palfinger via the internet for immediate processing, while the PALSOFT software program enables dealers to perform various service support functions and calculations "closer to the market".

"The UK in particular has come to expect a superior service for its knuckle boom cranes" explains Pilz. "It's no good just selling the product on its own because a sale has to be

backed with full service support. We want to offer the best package that we possibly can and take what we believe is the correct approach to the market by offering the right package, which may include a combination of things such as the right financing, maintenance and general advice. The idea is to make a big push in terms of a complete service to our customers this year."

The company also introduced its RAP Rapid Process system in January, which means a guaranteed delivery period for knuckle boom cranes after receipt of order of 15 days, or 20 days for cranes larger than 32 tonne/metres. "We have taken on a completely new challenge at organisational level" says Pilz. "We are moving on from the series production, which was the practise up until now in crane assembly, to order-related manufacturing. This means we will only produce, assemble and supply what has been sold."

According to Pilz, the UK remains a strong market for Palfinger and has held up well in recent times. The company is currently represented in the British Isles by Outreach in Scotland, TH White in the UK and its own Palfinger Ireland operation. "The UK is a very important market for us" says Pilz. "We currently have approximately 14 service trucks on the road in the UK and have recently opened a service centre in Bradford. We delivered almost 1000 cranes to the UK last year and our target for 2003 is to break the 1000 unit barrier so there will be a lot of effort put into service operations."

In the mean time, Palfinger is making final preparations to enter the powered access market for the time ever. An official Spring launch will see a range of truck mounted platforms in the 3.5 tonne truck class.

